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Japan

Japan: Hashimoto Condemns Bombing in Saudi Arabia

OW2606093196 Tokyo KYODO in English 0909 GMT 26 Jun 96

[FBIS Transcribed Text] Tokyo, June 26 KYODO — Prime Minister Ryutaro Hashimoto on Wednesday [26 June] reacted strongly to the bombing at a U.S. military complex in Saudi Arabia that killed at least 23 Americans on Tuesday.

"Terrorism cannot be justified for any reason, and we strongly condemn any terrorist attack," Hashimoto said in a statement read by Chief Cabinet Secretary Seiroku Kajiyama.

"No terrorist attack should ever be tolerated. It is truly regrettable that a bombing like this happened and claimed many lives following last year's incident," the statement said.

Tuesday night's blast came seven months after a car bomb exploded outside a U.S.-run military building in Riyadh, in which five Americans and two Indians died.

Hashimoto expressed deep condolences to the victims of the latest bombing and their relatives, as well as to the Saudi and American people, and sent the same message to U.S. President Bill Clinton and King Fahd of Saudi Arabia, Kajiyama said.

Hashimoto is currently in France to attend an annual summit of the group of seven major industrialized countries.

Japan: Finance Ministry Official Views Insurance Talks With U.S.

OW2506234296 Tokyo KYODO in English 2314 GMT 25 Jun 96

[By Kohei Murayama]

[FBIS Transcribed Text] Paris, June 25 KYODO - Japan showed flexibility Tuesday [25 June] in its insurance dispute with the United States, but the two sides remain far apart on the issue of accident insurance in the so-called "third sector," a senior Japanese official said.

"A big gap remained between the two nations," said Eisuke Sakakibara, director general of the Japanese Finance Ministry's International Finance Bureau.

Sakakibara spoke to reporters after talks in Paris with Ira Shapiro, senior counsel and negotiator at the Office of the U.S. Trade Representative.

"But we have repeated our efforts to fill the gap by making proposals beyond the interpretation (of the 1994 bilateral insurance accord)," Sakakibara said.

He added, "We hope that the U.S. side will also demonstrate (similar) efforts."

U.S. officials were not immediately available for comment.

Sakakibara said Japan has not set a deadline to resolve the dispute by July 3, when Japanese life and nonlife insurance companies plan to establish subsidiaries to enter into each other's turf and also into the third-sector market under a new insurance law that came into effect April 1.

The third sector covers sickness, accident, nursing care and other products in a gray zone between primary life and nonlife insurance benefits. Foreign insurers have a strong position in Japan in the most lucrative areas such as cancer insurance, which major Japanese insurers are now not allowed to enter.

"The two nations will continue talks although a new timetable has not been set," Sakakibara said.

He said Japanese Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton are expected to discuss the insurance issue when they meet shortly before a three-day summit of the Group of Seven (G-7) industrial nations starting Thursday in the city of Lyons in southeastern France.

But the two leaders are unlikely to negotiate the issue in detail, Sakakibara said.

He said there is no schedule yet for a meeting between Japan's Finance Minister Wataru Kubo and acting U.S. Trade Representative Charlene Barshefsky during the Lyons summit, which both are attending.

The one-day Paris talks were held ahead of the G-7 summit upon Kubo's instruction to Japanese working-level officials to "clarify technically" the "political" efforts he and U.S. Ambassador to Japan Walter Mondale made during their recent three rounds of talks in Tokyo.

Kubo and Mondale failed to resolve the insurance issue, but the Japanese finance minister reportedly made flexible proposals.

Japanese officials said Kubo offered to delay entry by subsidiaries of life insurers into personal accident insurance by three months.

The offer came as a compromise on Japan's stance on the key disputed area of whether the 1994 agreement allows subsidiaries access to personal accident insurance.

Tokyo maintains that subsidiaries should be allowed immediately to handle accident insurance, but Washington has said they are so-called "new and expanded products" that require special measures for some three years.

Under the 1994 accord, Japan is to take measures in the third-sector market such as banning the subsidiaries from introducing "new or expanded products" to avoid "any radical change" for a "reasonable" period after the two primary life and nonlife insurance sectors are liberalized.

Japan and the U.S. already have agreed to take special measures for some three years for cancer and some other disease insurance.

Japan: Trade Minister Seeks UK Support on Microchip Trade

OW2506235996 Tokyo KYODO in English
2336 GMT 25 Jun 96

[FBIS Transcribed Text] London, June 25 KYODO — Japan asked Britain on Tuesday [25 June] to support its position that semiconductor trade disputes should be discussed multilaterally rather than bilaterally, Japanese officials said.

Japan's International Trade and Industry Minister Shumpei Tsukahara made the request in a meeting with Deputy Prime Minister Michael Heseltine.

Tsukahara stopped over in London en route to Lyons, France, where he will take part in an annual economic summit of the Group of Seven industrialized nations starting Thursday.

Tsukahara told Heseltine that the United States is trying to deal with the matter on a bilateral basis and that Japan cannot accept such a demand.

Heseltine showed understanding of Tokyo's call for a multilateral approach, saying Britain does not want the trade dispute resolved only between Japan and the U.S., according to the Japanese officials.

Tokyo has proposed that a trilateral forum be set up by Japan, the U.S. and the European Union to discuss the role of government in future microchip regulations, tariffs, barriers to trade and copyright policies.

The proposal is aimed at ending the 1991 intergovernmental trade agreement with the U.S. upon its July 31 expiration.

Washington wants the pact extended but Japan maintains that the accord has already met its primary purpose of securing a 20 percent share of foreign-made semiconductors in the Japanese market. The latest data show the foreign share stands at about 30 percent.

On Wednesday, Tsukahara will confer with Ian Lang, Britain's secretary of state for trade and industry.

Japan: U.S., British Officials Begin Sumitomo Probe

OW2606123496 Tokyo KYODO in English
1202 GMT 26 Jun 96

[FBIS Transcribed Text] Tokyo, June 26 KYODO — U.S. and British officials have arrived in Japan to investigate the huge loss incurred by Japanese trading house Sumitomo Corp. in unauthorized copper trading, government officials said Wednesday [26 June].

The officials of the Ministry of International Trade and Industry said the investigators represent the Securities Investment Board of Britain and the U.S. Commodity Futures Trading Commission.

Their visits will be followed by a trip by investigators of Britain's Serious Fraud Office, starting Thursday, the officials said.

Their trip to Japan followed Sumitomo's announcement earlier this month that it suffered a $1.8 billion loss in unauthorized copper trading over 10 years by Yasuo Hamanaka, then head of the company's Nonferrous Metal Trading Department.

The officials said the visitors are expected to call at the Trade Ministry as early as Thursday to seek Japanese cooperation in the investigation and make a similar request to Sumitomo.

The ministry will provide information on the affair which has been made available by Sumitomo, the officials said.

The ministry will tell the investigators the case does not constitute a violation of existing domestic laws since copper is not listed on the Japanese Commodity Exchange, they said.

Japan: Tsukahara Pledges Cooperation in Probe of Sumitomo Case

OW2606133596 Tokyo KYODO in English
1319 GMT 26 Jun 96

[FBIS Transcribed Text] London, June 26 KYODO — Japanese Trade Minister Shumpei Tsukahara said Wednesday [26 June] Japan will cooperate with British authorities investigating Sumitomo Corp.'s massive loss in unauthorized copper trading.

International Trade and Industry Minister Tsukahara made the statement in a meeting with Ian Lang, Britain's secretary of state for trade and industry, Japanese officials said.

Tsukahara stopped over in London en route to Lyons, France, where he will take part in an annual summit of the Group of Seven industrialized nations starting Thursday.

Tsukahara was quoted as telling Lang, "We will cooperate with British officials when they visit Japan for the investigation." However, Tsukahara did not mention specific cooperative measures, the officials said.

Lang welcomed Japan's offer of cooperation, confirming that experts from the securities and investment board will be dispatched to Japan, they said.

In the wake of the announcement that Sumitomo suffered a $1.8 billion loss from unauthorized copper trading by a metal trader for the past 10 years, the British financial watchdog has launched a full-scale investigation into metal markets in london.

Japan: Government Reports U.S. Plan for Relocating Futenma

OW2606122096 Tokyo KYODO in English 1158 GMT 26 Jun 96

[FBIS Transcribed Text] Tokyo, June 26 KYODO — The United States has informally proposed a plan to relocate the Futemma air base in Okinawa Prefecture and construct a new heliport to replace the one in the base, government sources said Wednesday [26 June].

The U.S. proposal cites an unused plot of land in the Kadena Ammunition Storage Area, a coastal area close to Camp Hansen, and somewhere in Camp Schwab, all in the southwestern Japanese island prefecture, as possible sites, they said.

The U.S. has agreed to close Marine Corps Air Station Futenma on condition that a marine heliport be built in Okinawa Prefecture to replace the existing one at the base, but Okinawa Gov. Masahide Ota has opposed relocation of the heliport within the prefecture.

The Japanese and U.S. Governments hope to decide on the relocation site for the heliport when U.S. Defense Undersecretary Walter Slocombe visits Japan on Friday to attend a bilateral vice-ministerial meeting on defense and foreign affairs, the sources said.

A U.S. Government source said in Washington on Monday that the new heliport will be smaller than the existing one on the Futenma base and noted that it will have a runway of less than 5,000 feet (about 1,500 meters), shorter than the 2,800-meter runway at the Futenma air base.

The source said the new heliport will be used only for helicopters and that a runway of about 1,500 meters is needed for helicopters heavily loaded with troops and weapons as they need to take off horizontally rather than vertically.

The Futemma base is one of the 11 U.S. military facilities that Washington has agreed to close.

The U.S. has offered plans to relocate the other facilities and the Japanese Government will present them to Okinawa Prefecture pending an agreement between Tokyo and Washington on them, the Japanese sources said.

Japan: Government Considers Aid to Base Relocation Sites

OW2506114996 Tokyo YOMIURI SHIMBUN in Japanese 24 Jun 96 Evening Edition p 2

[FBIS Translated Text] On 24 June, a government source disclosed that the government has decided to consider providing local municipalities in mainland Japan with financial aid to help promote their development projects if they accept U.S. bases to be relocated from Okinawa. The government has so far taken measures, such as providing double windows to households near military bases, to alleviate their complaints. But it now hopes to take full-fledged aid measures to obtain support from proposed relocation sites for its base relocation plans, in a bid to promote the consolidation and reduction of U.S. bases on Okinawa, the source said.

Specifically, the government will actively cooperate with the municipalities in promoting their development projects. It will also take preferential measures for them, such as raising the quota of government subsidies for public works projects from the current 50 percent to two-thirds. Concerned ministries and agencies will discuss aid measures and appropriate necessary funds in the FY97 budget.

On 23 June, Chief Cabinet Secretary Seiroku Kajiyama said on a TV program: "The government should study ways to give preferential treatment to those who live near military bases (to be relocated from Okinawa)." He thus indicated that the government needs to work out measures to help local municipalities where U.S. bases on Okinawa will be transferred.

Japan: Governor Ota Receives Hashimoto's Letter on Forced Land Lease

OW2506085496 Tokyo KYODO in English 0835 GMT 25 Jun 96

[FBIS Transcribed Text] Naha, Japan, June 25 KYODO — Okinawa Gov. Masahide Ota is likely to reject a request by Prime Minister Ryutaro Hashimoto for making public a government paper facilitating the continued use of a plot of land inside a U.S. military facility, sources close to Ota said Tuesday [25 June].

Hashimoto sent to Ota a document which arrived at the Okinawa prefectural government Tuesday recommending that he publicize the paper on the central government's behalf.

Ota is expected to officially inform Hashimoto of his refusal in a letter to be sent to the premier by next Tuesday, the sources said.

Hashimoto is asking for Ota's cooperation to help renew a forced land rental contract for the plot inside the U.S. Navy's Sobe Communications Facility in Okinawa Prefecture.

If that fails, the Hashimoto government would be forced to order Ota to publicize the paper and if he still refuses, it would have to file a lawsuit ordering him to take such measures, central government officials said.

The Sobe facility contains a 236-square-meter plot owned by Shoichi Chibana, a grocer, who has refused to renew the lease to allow U.S. forces to use his land.

Chibana filed a lawsuit in April demanding access to and return of his land after the lease contract expired at the end of March. He later dropped the latter request to focus on the access case.

Although the forced lease has expired, the central government continues to allow the U.S. military to occupy the land without any clear legal basis, saying Japan has an obligation to provide land to U.S. forces under bilateral security arrangements.

The Supreme Court is expected to hear arguments July 10 over the case concerning the constitutionality of the forced lease of land for U.S. military bases in Japan.

Japan: PRC Anxious Over 'Japan-U.S. Security System' Expansion

OW2606090696 Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Jun 96 Morning Edition p 8

[By Beijing correspondent Hiroyuki Akita: "Chinese Military Exercise Caution Against Japan-U.S. Security Arrangements"]

[FBIS Translated Text] The People's Liberation Army [PLA] is increasingly worried about moves to strengthen the Japan-U.S. security system. Behind its apprehensions lies its belief that Japan and the United States are trying to expand the scope of application of the bilateral security treaty in preparation for "emergency situations" in the Taiwan Strait, as tensions between China and Taiwan continue. The Chinese leadership have adopted the basic policy of developing firm relations with Japan and the United States. However, if the PLA's apprehensions grow further, this may affect Beijing's diplomacy toward the United States and Japan.

A senior PLA official recently granted an interview to a NIHON KEIZAI SHIMBUN reporter. During the interview, the official criticized the study of defense cooperation by Japan and the United States since the April summit meeting to deal with Far East emergencies as an "attempt to expand the extent of application of the bilateral security pact." He said: "This is a serious problem (for U.S-China and Japan-China relations) and a danger signal."

The official noted that the study "is apparently aimed at expanding the area covered under the security treaty to the Korean Peninsula, the Taiwan Strait, and South China Sea." "Whether or not the Japanese Government admits it, the two countries are trying to turn (the Japan-U.S. security treaty) on China," he said.

Since April, all top PLA officials have visited neighboring countries, including Southeast Asian nations, Russia, and Mongolia. According to Western military sources, they have explained the PRC's anxiety over "changes in the Japan-U.S. security pact" to high-ranking military officials of neighboring countries and have sought their understanding.

The air of anxiety within the PLA is also spreading to the CPC and government offices. Last week, "RENMIN RIBAO," the CPC's paper, carried a commentary saying: "Japan is under the United States' "nuclear protection" based on the Japan-U.S. security treaty. Thus, in a real sense, Japan is not a nonnuclear state."

According to diplomatic sources, China plans to take up the issue of the Japan-U.S. security system at an ASEAN regional forum (ARF) to be held in Jakarta late July. During the meeting, Beijing is expected to claim that the attempt by Japan and the United States to strengthen their security system may cause instability in the region.

The PLA has exercised caution against the Japan-U.S. security system because it fears that if military conflicts occur between China and Taiwan, the United States may intervene and Japan may give logistic support to the U.S. military.

When military tensions heightened between China and Taiwan in March, Washington dispatched two aircraft carriers to the Taiwan Strait. It appears that this has caused Beijing's anxiety that what it fears might actually happen.

Japan: SDP, Sakigake Plan Summer Delegations to PRC, ROK

OW2606124496 Tokyo ASAHI SHIMBUN in Japanese 26 Jun 96 Morning Edition p 2

[FBIS Translated Text] The Social Democratic Party [SDP] and the New Party Sakigake plan to send separately party delegations and senior officials to the PRC and ROK in early July. In meetings with influential

Chinese officials, the officials of the two parties plan to seek an early conclusion of the Comprehensive Test Ban Treaty (CTBT). Sakigake officials also plan to emphasize their opposition to Chinese nuclear tests, including warning Beijing about the possibility of shelving talks on Japan's yen loans to the PRC. The SDP, which has maintained friendly ties with the DPRK's (North Korea) Workers' Party of Korea, hopes to contribute to the stability of the Korean peninsula by establishing closer ties with the ROK. In view of the next general election, the SDP and Sakigake intend to distinguish themselves as unique political parties by carrying out East Asian diplomacy in a manner slightly different from that of the Liberal Democratic Party.

The SDP plans to send a delegation led by party secretary general Kanju Sato to the PRC and the ROK from 8 to 16 July. The party has requested meetings with PRC President Jiang Zemin in Beijing and ROK President Kim Yong-sam in Seoul.

The SDP plans to directly convey its concerns over Chinese nuclear tests and explain the party's stance that the review of the guidelines for Japanese-U.S. defense cooperation will be done strictly within the limits of the Japanese Constitution and will not involve stepping over into exercising the right of collective self defense. The party also plans to gain the ROK's understanding on its intention to improve relations with the DPRK.

Sakigake plans to dispatch party chairman Masayoshi Takemura, vice chairman Hiroyuki Sonoda, and other officials to the PRC. They plan to volunteer in tree-planting activities to help restore greenery in deserts in the Inner Mongolia Autonomous Region. Takemura plans to put his party's environment-oriented policy into action by advocating a "green PKO [peacekeeping operations]" program as a way to contribute to the international community without the use of military force.

Sakigake has hammered out a firm stance on abolishing nuclear arms. It has insisted that the Japanese Government hold off any new round of talks on yen loans to the PRC until the PRC discontinues nuclear tests.

Sakigake Secretary General Yukio Hatoyama plans to join Masanori Goto and other SDP dietmen in discussions at an international conference on peace in the Korean peninsula to be held in Seoul on 5 July.

Japan: Cabinet Extends Stay of SDF Peacekeepers on Golan Heights

OW2606112696 Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Jun 96 Evening Edition p 2

[FBIS Translated Text] During the 25 June cabinet meeting, the government decided to make changes in the ongoing dispatch of Self- Defense Forces [SDF] to the Golan Heights: SDF troops have been sent there to take part in the United Nations Disengagement Observer Force (UNDOF). It decided: 1) to extend the period of the dispatch — originally scheduled to last until the end of this August — until the end of February next year; 2) to assign a new duty to work out food supplies and budgetary plans to one of two SDF members in charge of transportation at the headquarters; and 3) to provide one more vehicle to SDF staff in the headquarters.

Japan: Hashimoto To Avoid 'Dispute' With Clinton at Meeting

OW2606005996 Tokyo KYODO in English 2353 GMT 25 Jun 96

[FBIS Transcribed Text] Lyon, France, June 25 KYODO — Japanese Prime Minister Ryutaro Hashimoto said Tuesday [25 June] he will not enter into a dispute with U.S. President Bill Clinton over three pending bilateral trade issues in their meeting Thursday.

During the flight to Lyons to attend the three-day summit meeting of the Group of Seven (G-7) leading industrial countries, Hashimoto said he is expecting Clinton to bring up the trade disputes in the semiconductor, insurance and aviation fields in the bilateral summit.

"In that case, I will tell him about the Japanese positions, but I won't stage a further dispute," he told reporters.

If the two heads of government start a row, that would lessen interest in the G-7 summit, Hashimoto said.

Such developments should be avoided out of courtesy to France, which hosts the summit, he said.

Hashimoto also said issues concerning China and the Korean peninsula are on the agenda for the summit, adding that his role is to work out the best way for these issues to be handled in the political talks.

The G-7 nations will kick off the summit meeting Thursday evening with a working dinner and exchange views on an array of economic and political issues, including high levels of unemployment, debt relief for poor countries and support for Russia's reform efforts.

Japan: Hashimoto Expected To Push Ban on Land Mines at G-7 Summit

OW2506123496 Tokyo KYODO in English
1202 GMT 25 Jun 96

[FBIS Transcribed Text] Tokyo, June 25 KYODO — Prime minister Ryutaro Hashimoto will support a global ban on the use of land mines targeted at humans at the upcoming Group of Seven (G-7) summit in the French city of Lyons, government sources said Tuesday [25 June].

Detailing Japan's voluntary position on land mines, Hashimoto will declare that Tokyo will not use such mines without built-in self-disabling mechanisms although their use is currently allowed under international rules, making Japan the first country to commit itself to such a policy, they said.

The Japanese position represents a departure from Tokyo's long-standing policy of regarding land mines as effective weapons for self-defense, but the new rule would not apply in the event that Japan faces the threat of invasion before a global ban on the use of such mines takes effect, the sources said.

Hashimoto will pledge to make land mines possessed by Japan so-called "smart mines" or mines that disable themselves after a certain period of time, they said.

He will also propose hosting an international conference in Tokyo early next year to support efforts to remove mines when he attends the summit, the sources said.

The G-7 groups Britain, Canada, France, Germany, Italy, Japan and the United States.

Land mines kill more than 20,000 people a year, mostly civilians, with the largest number reported in Afganistan, Angola and Cambodia. They are also a serious problem in Bosnia-Herzegovina and Croatia.

There are some 110 million mines left scattered in 68 nations around the world and two to three million mines are newly installed each year.

Japan has not used or exported land mines since the end of World War II, and Hashimoto will promise to continue not to export land mines, the sources said.

At a May 3 meeting in Geneva, the International Conference on Conventional Weapons declared that the use of land mines should be abolished within 10 years, but it stopped short of formally outlawing them.

Among major military powers, the U.S. announced a decision in May against banning American use of land mines even while it proposed a permanent global ban on such weapons.

About 40 countries so far have supported a global ban on the use of land mines.

Japan: Ambassador Xu: China To 'Closely Watch' G-7 Summit

OW2606093296 Tokyo KYODO in English
0751 GMT 26 Jun 96

[FBIS Transcribed Text] Tokyo, June 26 KYODO — China will closely watch discussions at the Group of Seven (G-7) summit later this week, Chinese Ambassador to Japan Xu Dunxin said Wednesday [26 June].

Xu, fresh from a one-and-a-half-month return trip to China, made the remark in a 40-minute meeting with Vice Foreign Minister Sadayuki Hayashi, a Foreign Ministry official said.

This year's G-7 summit takes place in Lyons, France, from Thursday through Saturday. The G-7 is made up of Britain, Canada, France, Germany, Italy, Japan and the United States.

Xu also expressed hope that Japan will act as a bridge between industrialized nations and Asian nations, including China, the official said.

Hayashi, Japan's top career diplomat, noted the Lyons summit will emphasize the need for China to become a constructive partner in international society, the official said.

Japan: Hashimoto: Tokyo To Continue Watching Mideast Situation

OW2406114596 Tokyo KYODO in English
0839 GMT 24 Jun 96

[FBIS Transcribed Text] Tokyo, June 24 KYODO — Japan will continue to closely watch the Middle East situation following a weekend Arab summit to review the regional peace process, Prime Minister Ryutaro Hashimoto said Monday [24 June].

"It is not a very optimistic situation," Hashimoto told reporters at his official residence.

The Arab summit held in Cairo on Saturday and Sunday warned Israel of reconsidering the Arab side's stance if Israel rejects the formula of trading occupied land for peace as agreed to at the 1991 Madrid Mideast Peace Conference.

New Israeli Prime Minister Benjamin Netanyahu from the right-wing Likud Party took oath earlier this month, replacing Shimon Peres, one of the architects of the peace process.

Japan: DPRK Delegates Ask Tokyo To Promote Diplomacy Independently

OW2606121796 Tokyo YOMIURI SHIMBUN in Japanese 26 Jun 96 Morning Edition p 3

[FBIS Translated Text] On 25 June, the delegation from the DPRK's Disarmament and Peace Institute met with Shinya Nagai, acting director of the Japan Institute of International Affairs [JIIA], which is a Japanese Foreign Ministry affiliate, and other JIIA members in Tokyo. The delegation (headed by Kim Ryon-kil) includes Yi Chol-jin, who heads the North Korean Foreign Ministry's Japan division.

During the meeting, the North Korean delegation called for an early resumption of Japan-DPRK talks on normalizing diplomatic relations. They said: "We hope Japan will promote its own diplomacy independent of the ROK and the United States."

Meanwhile, the Japanese side stressed the importance of the DPRK accepting the proposed four-way talks (involving the ROK, the DPRK, the United States, and the PRC) and participating in the international community.

Japan: Kim Chong-il's Formal Promotion Unlikely Until Jul 1997

OW2606072096 Tokyo YOMIURI SHIMBUN in Japanese 26 Jun 96 Morning Edition

[By YOMIURI SHIMBUN Beijing Bureau; received via Internet]

[FBIS Translated Text] 25 Jun — DPRK (North Korean) supreme authorities recently decided to extend the "national mourning period" for former President Kim Il-song, a Beijing source specializing in the China-North Korea relations said on 25 June. Kim passed away on 8 July 1994, and the "mourning period" will continue until July 1997.

North Korean officials have been saying the "mourning period" will "end after 8 July this year (or the second anniversary of Kim's death)" (as noted by Chu Chang-chun, North Korean ambassador to China). However, the extended mourning period will certainly delay Korean Workers Party [KWP] Secretary Kim Chong-il's inauguration as state president and KWP general secretary until after July 1997.

The source noted the mourning period was extended because "the people's veneration of the late President Kim Il-song is still strong, and there is growing demand that the mourning period be continued until the third anniversary in July 1997." However, judging from the nation's unprecedented economic crisis resulting from the serious food shortage arising from the 1995 floods and industrial stalemate, the true reason for extending the mourning period is probably that the current situation is too bad to celebrate Secretary Kim Chong-il's formal succession to the presidency.

Japan: LDP's Yamasaki Says Contacts with DPRK To Begin This Week

OW2606075596 Tokyo YOMIURI SHIMBUN in Japanese 25 Jun 96 Morning Edition p 2

[FBIS Translated Text] Regarding moves to resume the talks on normalization of diplomatic ties with the DPRK (North Korea), Policy Research Council Chairman Taku Yamasaki of the Liberal Democratic Party [LDP] disclosed to reporters on 24 June that "the intergovernmental contacts will be made as early as this week." According to Yamasaki, the delegation from the Disarmament and Peace Institute (headed by Kim Nyon-kil), including Yi Chol-chin, a North Korean foreign ministry official, will come to Japan on 24 June, and during their one-week stay, contacts will be made between foreign ministry officials of the both countries.

Japan: EPA White Paper Notes Lag in Asia Investment

OW2606072196 Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Jun 96 Morning Edition p 5

[FBIS Translated Text] On 24 June the Economic and Planning Agency issued a report entitled "1996 Asian Economy," (Asian Version of the economic white paper), describing the recent moves of the Asian economy. The report points out that Japanese companies have lagged behind U.S., European, and Asian companies in investment in the infrastructure of Asian countries, which is essential in maintaining the high growth of the Asian economy.

It analyzes that, due to a delay in the deregulation of the domestic market, Japanese firms have failed to form a sufficient risk management system and this is why they are negative about investment in this region. It then points out that deregulation is important to secure their competitiveness in the overseas market.

According to the World Bank's estimate, east Asia will need $1.3 to $1.5 trillion of investment in infrastructure improvement by the year 2004. This is about 7 percent of the east Asian nations' GDP. The amount of infrastructure investment in Japan, which was made when its economy grew rapidly, was only about 5.5 percent of the region's GDP.

The White Paper explains that, thanks to liberalization of international capital transfer, U.S. and European companies and local firms financed by overseas Chinese have been able to invest in all stages of projects aimed at improving infrastructure, such as power plants, communications facilities, and expressways. That is, they have been engaged in "planning, fund raising, construction projects, and operation." It explains that despite such circumstances, Japanese companies have remained providing materials and undertaking construction projects because they may be too anxious about investment risk.

The report proposes that in a bid to encourage Japanese companies to invest in infrastructure improvement projects in Asia, efforts be made to accumulate know-how of investment by promoting deregulation of domestic industries, such as electric power business, and by building a competitive market.

Japan: Group Formed To Standardize, Promote PHS in Asia

OW2506131396 Tokyo KYODO in English
1212 GMT 25 Jun 96

[FBIS Transcribed Text] Tokyo, June 25 KYODO — Domestic and overseas manufacturers and operators of the Personal Handy-Phone System (PHS) will set up an organization next month to standardize phs technology and promote the system overseas, organizers said Tuesday [25 June].

The body will be called the PHS MOU group, said officials at the Association of Radio Industries and Businesses, an organization affiliated with the Ministry of Posts and Telecommunications.

The new organization's secretariat will be based within the association, the officials said.

The PHS MOU group, aimed at drawing up a memorandum of understanding (MOU) for internationalization of PHS standards and offering related information, will hold an inaugural meeting in Singapore on July 3, the officials said.

In addition to about 60 Japanese PHS makers and operators, the group's members will include foreign companies such as Hong Kong Telecommunications Ltd. and Thai Telephone and Telecommunication Public Co.

Japanese PHS makers and operators are looking to make timely promotions of the PHS starting in the Asia region as any standardized commercial service of the system has yet to be launched either in the United States or European nations, industry sources said.

In the past, Japanese manufacturers of digital portable phones fell behind their western rivals in marketing their system, and as a result the system failed to catch on in countries other than Japan.

According to the postal ministry, Hong Kong, Singapore, Indonesia, Thailand and the United Arab Emirates have already decided to introduce the PHS.

Also, inquiries about the PHS have come from more than 10 economies, including China, Taiwan and the Philippines, ministry officials said.

Japan: Former Heads of Japan Housing, Oct Arrested Over Loans

OW2606050596 Tokyo KYODO in English
0338 GMT 26 Jun 96

[FBIS Transcribed Text] Tokyo, June 26 KYODO — Prosecutors arrested Wednesday [26 June] a former head of the failed "jusen" housing loan lender Japan Housing Loan Inc. and six others on suspicion of involvement in the company's questionable loans to a Tokyo realtor.

The housing loan company is suspected of having lent a total of about 1.9 billion yen to Oct Inc. without any prospect of repayment, prosecutors said.

Japan Housing Loan is one of seven failed "jusen" mortgage companies being liquidated under a government-sponsored scheme.

Among those arrested on suspicion of breach of trust were Noboru Kawahara, 71, former president of Japan Housing Loan, Ryoji Asai, 61, former managing director, Nobuhide Hayashi, former manager, Kaname Matsui, former assistant manager.

Also arrested from Oct were Morimasa Okawa, 55, founder and former president, who had returned earlier in the day from Singapore, and two other former presidents, Midori Fukushima and Kiyoshi Inoue.

The housing loan company extended several loans to Oct from around 1991, when Oct had already stopped paying interest on other loans, according to the prosecutors.

They said the loans were extended without collateral and despite the fact that Japan Housing Loan was well aware of Oct's financial conditions.

Informed sources have said Japan Housing Loan kept Oct afloat for years because its bankruptcy would have revealed the amount of irrecoverable loans the mortgage company had pumped into the failed enterprise.

Oct's eventual bankruptcy in December 1993 left Japan Housing Loan with a total of some 39.2 billion yen in uncollectable loans.

Japan Housing Loan last week became the first of the seven jusen to be raided by law enforcement authorities.

It is also being investigated on suspicion of breach of trust through lending more than 4 billion yen in collateral-short loans to the real estate group Collins, and more than 1 billion yen to a golf course developer, despite knowing the loans could not be recovered.

The company's dubious practices are highlighted in a report by Oct's bankruptcy administrator.

"Japan Housing Loan, while knowing that oct was virtually bankrupt, continued to lend the realtor operating costs and other expenses to avoid its huge loans becoming unrecoverable," one of the sources quoted the report as saying.

According to published data from the Finance Ministry, Oct owed Japan Housing Loan 33.9 billion yen as of August 1992. A survey in August 1995 showed the amount had risen to 39.2 billion yen.

Oct was liquidated this January without any payment to creditors. The bankruptcy administrator's report was completed in July 1994, before the first meeting of Oct creditors, and it covered the realtor's business situation directly before it filed for bankruptcy in December 1993.

The sources said the report concluded that "early on, Oct showed many factors pointing to bankruptcy, but set out to restructure around 1991 under guidance from Japan Housing Loan."

It reportedly said Japan housing loan was planning to restructure itself at the time, and could therefore not afford to have the loans it had made to Oct become uncollectible.

"They had to continue to pump funds into Oct to keep the company alive," the source quoted the report as saying.

Japan: Prosecutors Search Homes of Arrested 'Jusen,' Oct Heads

OW2606105496 Tokyo KYODO in English
1023 GMT 26 Jun 96

[FBIS Transcribed Text] Tokyo, June 26 KYODO — Prosecutors searched the houses of former heads of the failed "jusen" mortgage company Japan Housing Loan Inc. and now-bankrupt major realtor Oct Inc. on Wednesday [26 June], following their arrests earlier in the day on suspicion of breach of trust.

The Tokyo District Public Prosecutors Office searched about 10 places, including those of former Japan Housing Loan president Noboru Kawahara, 71, Ryoji Asai, 61, former managing director of the company, and Morimasa Okawa, 55, founder and former president of Oct, who returned to Japan early in the morning from Singapore.

The remaining four, also arrested on the same suspicion, are Nobuhide Hayashi and Kaname Matsui, former manager and assistant manager, respectively, of Japan Housing Loan, and two executives from the Oct group — Kiyoshi Inoue, former president of Oct, and Midori Fukushima, former president of Oct Finance, an offshoot of Oct.

The housing loan company is suspected of having lent a total of about 1.9 billion yen to Oct without any prospect of repayment, prosecutors said.

Japan Housing Loan is one of seven failed housing "jusen" loan lenders being liquidated under a government-sponsored scheme.

The company extended several loans to Oct from around 1991, when Oct already stopped paying interest on its other loans, according to the prosecutors.

They said the loans were extended without collateral, despite Japan Housing Loan being aware of Oct's financial condition.

Sources close to the housing loan firm have said Japan Housing Loan kept Oct afloat for years because its bankruptcy would have shown the amount of irrevocable loans the mortgage company had pumped into the failed enterprise.

Oct's bankruptcy in December 1993 left Japan Housing Loan with a total of some 39.2 billion yen in uncollectable loans.

Japan Housing Loan last week became the first of the seven housing loan firms to be raided by law enforcement authorities.

It is also being investigated on suspicion of breach of trust on lending more than 4 billion yen in collateral-short loans to the real estate group Collins, and more than 1 billion yen to a golf course developer, despite knowing the loans could not be recovered.

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"They had to continue to pump funds into Oct to keep the company going," the source quoted the report as saying.

Japan: LDP Considers Construction of Special Disaster Relief Ship

OW2506144296 Tokyo KYODO in English 1405 GMT 25 Jun 96

[FBIS Transcribed Text] Tokyo, June 25 KYODO — Japan's major ruling coalition member, the Liberal Democratic Party (LDP), decided Tuesday [25 June] to begin considering the use of a specially equipped disaster relief ship, party officials said.

The party decided on the policy at a joint meeting of its foreign affairs and security commissions, the officials said.

A special subcommittee will consider the concept and a funding request will be made as part of the party's plan for the government budget for fiscal 1997, beginning next April.

A large number of LDP members think such a vessel should be constructed for use in rescuing Japanese nationals in the event of overseas emergencies as well as in assisting in the transport of refugees, but the issue is bound up with the question of reviewing the nation's defense policy on emergencies.

At the meeting, officials from the Cabinet Councilors' Office on Internal Affairs unveiled four different vessel models ranging from 7,000 to 25,000 tons.

The largest of the vessels would be capable of carrying two helicopters as well as evacuating 2,400 refugees, and would cost 52 billion yen to build.

Japan: Fund Created To Preserve 'Unit 731' Wartime Facilities

OW2406094596 Tokyo KYODO in English 0802 GMT 24 Jun 96

[FBIS Transcribed Text] Hiroshima, June 24 KYODO — A Japanese nongovernment group and the northeastern China province of Heilongjiang will jointly form a fund to preserve facilities used by a wartime Japanese biological warfare team known as "Unit 731," a member of the Japanese group said Monday [24 June].

Eiji Yoshiki said a founding ceremony will be held Friday in Harbin in the province where the remains of some 20 unit 731-related facilities are located.

The remains include those used for human vivisection. Unit 731 is widely known for wartime atrocities such as experiments on Chinese, Russians, Koreans and Mongolians that included live human dissections and injections of various germs.

According to researchers, at least 3,000 people fell victim to the atrocities.

Yoshiki said his group will donate to the fund about 10 million yen raised through street fund-raising campaigns and exhibitions on Unit 731 organized by the group in Japan.

"We hope this fund will be used to preserve the remains and set up information boards so as to make them a place for peace study," he said.

Japan: Nagasaki A-Bomb Museum To Replace 'Altered' Nanjing Images

OW2506140796 Tokyo KYODO in English 1352 GMT 25 Jun 96

[FBIS Transcribed Text] Nagasaki, June 25 KYODO — The Nagasaki Atomic Bomb Museum will replace images currently on display of the so-called Nanjing Massacre in China due to claims that they had been altered, city officials said Tuesday [25 June].

The museum in southwestern Japan, which opened in April, plans to stop the display Wednesday of four of 11 videotapes that contain images of the Nanjing killings perpetrated during Japan's invasion of China in the late 1930s.

The images will be replaced with still images published by the MAINICHI SHIMBUN newspaper, and museum officials are planning to edit these images into the video display, the officials said.

There will be words superimposed on the video saying the Japanese Imperial Army murdered and conducted violence against Chinese citizens of Nanjing.

When the museum opened with an expanded display that included mention of Japan's wars in China and the Pacific, a nationalist group and local Liberal Democratic Party (LDP) politicians protested against including events that started in 1937 into the atomic bomb display.

The images selected as replacements will show the city before the entry of Japanese troops, the entry of the troops and the effects of their occupation on the city and its people, the officials said.

The Nanjing incident occurred from December 1937 through January 1938 after Japanese troops entered the city and launched a campaign of destruction and killing that left tens of thousands of civilians dead and much of the city in ruins.

A museum official explained that while some have criticized the use of the photographs as inappropriate, the new scene is not an especially controversial matter.

The images originally used in the display came from the U.S. National Archives, and the nationalist group and local LDP politicians charged the images were altered because they were produced by an anti-Japanese group in the United States.

Museum officials said the images they used were produced from unaltered originals from the U.S. Archives.

Meanwhile, Masakuni Murakami, the LDP's secretary general in the House of Councillors, said Tuesday in Tokyo he intends to lead an investigation into the authenticity of the Nanjing photographs.

Nagasaki was destroyed by an atomic bomb dropped by the U.S. on Aug. 9, 1945, which killed an estimated 70,000 people.

Japan: High Court Rejects Koreans' Suffrage Appeal

OW2606050496 Tokyo KYODO in English 0323 GMT 26 Jun 96

[FBIS Transcribed Text] Kanazawa, Japan, June 26 KYODO — The Nagoya High Court on Wednesday rejected an appeal by four Korean residents of Japan seeking the right to vote in local elections.

The court said it is a matter for the state to decide on the issue of suffrage for foreign residents in its legislation policy.

The Kanazawa branch of the high court rejected the appeal by Li Chin-chul, 65, a former official of an association of Maruoka, Fukui Prefecture, and three other Koreans with permanent residence status in Japan. The plaintiffs claimed it is unconstitutional to refuse foreign residents the right to vote in local elections.

Presiding judge Junko Sasamoto said giving suffrage to foreign residents is not prohibited by the Constitution, but argued it is "an affair that concerns the state's legislation policy."

The plaintiffs appealed a ruling in 1994 by the Fukui District Court, which said, "The constitutionally guaranteed right to vote for local public entities is limited to people who hold Japanese nationality."

In 1991 the four Korean residents sued the central government and the election administration committees of four municipalities, who refused to add the plaintiffs' names to their voter registration lists. The suit sought voting rights and compensation of 1 million yen each.

In rejecting their appeal, Sasamoto said the local election administration committees are not empowered to decide whether non- Japanese residents should be put on the voter registration lists.

She also turned down their demand for compensation.

The plaintiffs argue that Article 93 of the Constitution stipulate that chief executive officers of local public entities, as well as assembly members and other local officials, be elected by direct vote of all "residents."

The public offices election law and the local self-government law, which allow only Japanese nationals to vote, thus violate the Constitution, they said.

In contrast, the defendants insisted, "The Constitution limits to the sovereign, that is the Japanese people, the right to elect officials who exert public authority."

The high court ruling is in line with the Supreme Court's ruling in February last year, which rejected an appeal by nine Korean residents of Osaka against a lower court ruling denying them voting rights in local polls.

The top court ruled the Constitution does not guarantee the right to vote or to stand in Japanese elections to foreign residents who do not have Japanese citizenship.

The ruling added, however, that "it is not forbidden by the Constitution to have and recognize a law granting political rights on the local level for permanent foreign residents. Whether such a measure can be realized will have to be in line with national legislative policies."

In February 1993, the Supreme Court rejected a British resident's demand for the right to vote in Japanese elections and a suit for 1 million yen in compensation from the state.

In that decision, the top court ruled that limiting the right to vote in public elections to Japanese citizens is not a violation of the Constitution.

In January last year, the Osaka High Court upheld a separate court ruling against the British resident, Alan Higgs, 48, who was seeking the right to vote in local elections in Japan.

In recent years, a number of municipal assemblies have adopted nonbinding resolutions endorsing the political participation of their foreign resident community.

Japan: LDP Leader Predicts Possible General Election This Year

OW2606080296 Tokyo KYODO in English
0717 GMT 26 Jun 96

[FBIS Transcribed Text] Tokyo, June 26 KYODO — The powerful House of Representatives may be dissolved within this year for a snap election, a senior official of the Liberal Democratic Party (LDP), the dominant force in Japan's ruling coalition, predicted Wednesday [26 June].

Taku Yamasaki, chairman of the LDP's Policy Affairs Research Council, told a meeting at the party's headquarters, "It will be too late if we prepare for a dissolution (of the lower house) in January."

Yamasaki also said the extraordinary Diet session would start in the first week of October, and that the Hashimoto government would submit to the Diet a supplementary budget bill around October 10.

He said four topics are likely to form the focus of discussion at the next Diet session — administrative reform, fiscal overhaul, elderly care insurance legislation and the future of U.S. military bases in Okinawa and Japan-U.S. security cooperation.

Japan: Table of Parliamentary Strength

OW2506103196 Tokyo KYODO in English
0903 GMT 25 Jun 96

[FBIS Transcribed Text] Tokyo, June 25 KYODO — The following is a table of parliamentary strength in both houses of the Diet after the departure Tuesday [25 June] of House of Representatives member Akira Fukita from Shinshinto (New Frontier Party).

Fukita left the party to run as an independent in the gubernatorial election in Yamaguchi Prefecture.

House of Representatives	House of Councillors
Ruling Coalition	
LDP 206	LDP 110
SDP 63	SDP 36
New Party Sakigake 23	New Party Sakigake 3
Opposition	
Shinshinto 167	Heisei Kai 68
JCP 15	JCP 14
Citizens Action	Shin Ryokufu Kai 5
League-Democratic	Sangiin Forum 4
Reform Party 8	Niin Club 4
New Socialist Party-Alliance for Peace 2	New Socialist Party 3
	Independents League 2
	Independents 3
Liberal League 2	
Independents 8	
Vacancies 17	
Total 511	252

Note: LDP stands for the Liberal Democratic Party, SDP the Social Democratic Party, and JCP the Japanese Communist Party.

North Korea

DPRK: Ministry Memorandum Urges UNC Dissolution

SK2606094696 Pyongyang Korean Central Broadcasting Network in Korean
0540 GMT 26 Jun 96

["Memorandum" from the DPRK Ministry of Foreign Affairs on 25 June 1996 in Pyongyang — read by announcer]

[FBIS Translated Text] In connection with the fact that the so- called UN Command [UNC] recently submitted a report in a bid to prove the value of its existence, the DPRK Ministry of Foreign Affairs has issued the following memorandum [pimangnok] to disclose the real state of the UNC.

Memorandum of the DPRK Ministry of Foreign Affairs:

In a bid to prove the value of its existence, the UNC recently submitted a report to the UN Security Council. The UNC stationed in South Korea has no legal basis, and, moreover, only the U.S. Forces remain under it today. This is a well-known fact.

Nevertheless, the United States and the South Korean authorities have been making every painful effort to prove that the UNC, which the United Nations does not want and which has been virtually disbanded, still exists [uiyonhui silchaehandanungosul].

The DPRK Ministry of Foreign Affairs, acknowledging that it is necessary to again disclose the real state of the UNC, released this memorandum.

1. The UNC is the product of a conspiracy.

The UNC in South Korea was not organized by a U.N. resolution, but is a product of the Cold War, fabricated through the abuse of the name of the United Nations.

When the world was divided into a bipolar structure of East-West confrontation after World War II, the United States sought to expand its sphere of influence and take control of the entire Korean peninsula, which was located in an area of geopolitical and military importance. Under this plan, with careful preparations, the United States instigated [sachok hayo] the Syngman Rhee puppet clique to start an all-out surprise armed attack against the northern half of the Republic at dawn on 25 June 1950.

As soon as the war broke out, the United States thought it most favorable to use the UN Security Council to conceal its true colors as the provoker and justify its acts of aggression.

At that time, most members of the UN Security Council were U.S. allies. Moreover, the Soviet Union, a permanent member, could not exercise its veto, because it had not participated in the activities of the UN Security Council in connection with the PRC's representation. By deftly taking advantage of this situation, under a carefully prepared plan, the United States manipulated the UN Security Council to call the DPRK an aggressor on 25 June 1950 and adopt an unreasonable resolution on mobilizing multinational forces in the Korean war on 7 July that same year. This was quite contrary to the fundamental principles of the U.N. Charter and the basic formalities.

At that time, Paragraph Three of Article 27 of the UN Charter stipulated that all decisions of the UN Security Council should be adopted with the approval of seven council members, based on the unanimous approval of all permanent members. However, the resolutions concerning the Korean war were adopted illegally at the UN Security Council without the participation of the Soviet Union, a permanent member. Also, under Article 32 of the UN Charter, the UN Security Council is obligated to invite the party to any dispute under deliberation, irrespective of whether it is a UN member, to the discussion of the dispute.

At that time, however, the UN Security Council intentionally excluded the representative of the DPRK, the country concerned, and invited only the representative of (?South Korea) to the session. Accordingly, the result of the discussion of the UN Security Council regarding the Korean war had no legal effect at all. Nevertheless, on 8 July 1950, U.S. President Truman appointed MacArthur, who was the then commander of the Headquarters of the U.S. Forces Far East located in Tokyo, as UNC commander and established the UNC on 25 July. Thus, the United States had the allied troops, which were to be dispatched to the Korean war, wear the hat of the UN Forces.

While denying all of these historic facts, the United States and the South Korean authorities are still voicing the distorted assertion that Resolution 84 of the UN Security Council, which was adopted on 7 July 1950, was the legal foundation for the dispatch of the UN Forces and for the organization of the UNC.

The UNC stationed in South Korea has no legitimacy to its existence.

In Resolution 84, which was adopted at the UN Security Council in 1950, there was no article whatsoever that stipulates the dispatch of the UN Forces to the Korean war and the establishment of the UNC. If any, the resolution only stipulates that the Allied Forces headquarters, that is, the UNC, uses the troops provided by member countries of the United Nations under the command of the United States.

In this regard, in February 1965, the then French President de Gaulle criticized that the resolution of the UN Security Council regarding the dispatch of the UN Forces to Korea dated 7 July 1950, ran counter to the principles of the UN Charter.

On 24 June 1994, the UN secretary general made it clear in a letter sent to the DPRK foreign minister that since Resolution 84 of the UN Security Council, which was adopted on 7 July 1950, was not a decision to organize the UNC, it is not the responsibility of a UN organization to dismantle this Allied Forces headquarters, but it is the matter under the authority of the U.S. Government.

All facts clearly prove that the UNC stationed in South Korea is a product of the plot that the United States concocted through the abuse of the name of the United Nations; and it is a useless thing.

(?Concretely speaking), for the past 40 years, the UNC has never clearly [ttokttokhi] reported its work to the United Nations nor has it received any report from the international organization. However, it has moved only under the control of the U.S. Joint Chiefs of Staff.

At a news conference held on 20 March 1967, Clark, who was the then commander of the UNC at the end of the Korean war, stated: "I worked as the commander of the UNC stationed in Korea, but I do not remember what instructions I received from the United Nations during the Korean war."

At the U.S. Senate Foreign Relations Committee held in February 1970, the then UNC Commander (Macriles) said in an answer to a question "Can you take any military action without any additional resolution or step by the United Nations?": "I cannot take any form of action without permission from superior authorities, that is, the U.S. Joint Chiefs of Staff."

These are direct remarks by those who served as the commander of the UNC in the past.

It is indeed the disgrace of the United Nations that the UNC, which receives neither instructions nor financial assistance from the United Nations, has continued to exist in South Korea like a ghost until today.

2. The UNC must be dissolved

Seen from the viewpoint of international law, it has to have the functional capacity to fulfill the duties stipulated in a treaty in order to be a party concerned in legal affairs [pomnyul kwangyeeso chuchega toejamyon choyaksang uimurul ihaenghalsu innun haengwi nungnyogi issoyahanda]. However, the UNC has neither the legal qualifications nor the capacity to perform its duty and responsibility. This is because the UNC stands in name only and is nothing but a group of the multinational forces under U.S. leadership.

The reality of the UNC, which has followed the course of dissolution of its own accord without any resolution of the United Nations since the ceasefire, eloquently proves everything.

Of the countries that had dispatched forces to the UNC, 15 countries, except the United States, withdrew their troops from the UNC without any notice to the United Nations.

France on 23 October 1953, Canada in April 1956, Luxembourg on 30 December 1954, Philippines and South Africa in October and November 1953, Belgium in 1956, Greece on 13 July 1955, Columbia in October 1954, Netherlands in March 1956, Ethiopia in December 1954, Australia in July 1953, Britain in July 1957, New Zealand in October 1953, Turkey in July 1956, and Thailand in July 1955 respectively withdrew their forces that had been dispatched to the UNC.

Furthermore, today most of the countries, including Ethiopia, Netherlands, Belgium, Greece, and South Africa, have no connection with the UNC at all.

On 22 September 1975, the United States, which had no choice but to remain alone in the UNC, could not help but officially admit that the UNC was an organization with fewer than 300 staff officers and honor guards.

The reality shows that such a ghostlike [yuryongjok] UNC has disappeared long ago and, thus, its ultimate dissolution is unavoidable.

The U.N. Forces in South Korea are none other than the U.S. Forces. The UNC is nothing more than an appendage [pusongmul] of the U.S.-South Korea Combined Forces Command.

Under the Combined Forces Command, whose commander is a U.S. general, the United States has set up a department in charge of the Military Armistice Commission for form's sake and labelled it as the UNC. Since the foundation of the United Nations, this kind of UNC remains only in South Korea.

The existence of the UNC is a big obstacle [kodaran changae] to guaranteeing the peace and security on the Korean peninsula.

The United States has systematically violated and destroyed the Armistice Agreement and the ceasefire watch body behind the facade of the UNC.

The UNC has only played the role of actively sheltering the violation of the Armistice Agreement and the arms build-up maneuvers by the United States and the South Korean puppets on the Korean peninsula. Therefore, dissolving the UNC and laying a new type of foundation for security are pressing matters of the present time.

Immediately dissolving the UNC by [word indistinct] is (?the demand of the times).

On 18 November 1975, the 30th UN General Assembly adopted resolution 3390-xxx-B calling for the dissolution of the UN Command as a step to achieve durable peace on the Korean peninsula. The U.S. document 3390-xxx-A adopted at the same time also stipulated that the UN Command would be dissolved if there were an alternative.

The DPRK Government has repeatedly exerted efforts to create conditions for dissolving the UN Command produced by the United States. As a result, an adequate proposal was presented for the dissolution of the UN Command.

In January 1984, the Republic's Government proposed that the DPRK and the United States sign a peace agreement and that the North and South adopt a nonaggression declaration. Due to our sincere efforts afterwards, on 19 February 1992, an agreement on reconciliation, nonaggression, and cooperation and exchange was adopted between the North and South and went into effect, promising nonaggression. Pursuant to the agreement, the North-South joint military commission was launched.

On 28 April 1994, the DPRK Government proposed establishing a peace mechanism on the Korean peninsula. On 21 October 1994, the DPRK-U.S. agreed framework was adopted. On 22 February 1996, the DPRK Government presented a more developed proposal for establishing a new peace mechanism.

Despite the fact that sufficient conditions have been provided for dissolving the UNC, the United States is attempting to maintain the UNC, and it has even dragged South Korean authorities into the attempt. The United States describes South Korea as a member of the UNC and even tries to present South Korea as a party to the Korean Armistice Agreement.

When the Korean Armistice Agreement was signed, South Korean authorities conducted a fierce anti-armistice movement and made a fuss, saying that even if the UNC entered into an armistice, they would advance northward by all means. Moreover, South Korea is not a member of the UN Forces, nor a signatory to the Armistice Agreement. Thus, the United States may employ a South Korean to work for the Military Armistice Commission, but can never have a South Korean represent its position in this organization.

The official communications channel between the two hostile sides [choktae sangbang] on the Korean peninsula has been cut for over two years. Now is the time that the United States should ponder its position, expressed 20 years ago, that it would dissolve the UNC if an alternative were provided. Dissolving the merely nominal UNC is an easy thing. The U.S. Government should proclaim the dissolution of UNC in South Korea, and the United Nations should take steps to withdraw its flag. The governments of the few countries that still have their flags in the UNC in South Korea should also take steps to withdraw their flags and thereby contribute to achieving peace and detente on the Korean peninsula, albeit belatedly.

According to international law, in the case of an agreement between two sides, when either side of the signatories loses the position as a qualified party and cannot implement the obligations stipulated in the agreement, the agreement is automatically abolished. Under the condition in which the UNC, a signatory to the Korean Armistice Agreement, has become nominal, we have the legitimate right to be free anytime from the position as one of the signatories of the Armistice Agreement.

Even under the current situation, in which the armistice mechanism has been destroyed, the armistice situation continues on the Korean peninsula due to our patient efforts to defend peace. The DPRK Government will exert every effort to dissolve the UNC as stipulated in the UN resolution, and to establish a new peace mechanism to prevent armed conflict and war on the Korean peninsula.

[Dated] 25 June, 1996, Pyongyang

DPRK: Holding of 'Rimpac-96' Exercise Regarded as 'War Frenzy'

SK2206040196 Pyongyang Korean Central Broadcasting Network in Korean 1222 GMT 21 Jun 96

[Commentary by Kim Ho-sam: "Reckless War Frenzy"]

[FBIS Translated Text] According to a report, Rimpac-96, or the Pacific Rim joint exercise, is being conducted by the U.S. imperialists and other imperialist allied forces this year. Rimpac- 96 is being conducted in an all-the-more-frenzied manner in its final stage.

On 18 June, a surface-to-air missile firing exercise was conducted in the waters off Hawaii, which is a part of the chain of the Rimpac-96 exercise. On this day, on board the Independence, which is affiliated with the U.S. Seventh Fleet, and on board the (Sieo) escorted by the Japanese Marine Self-Defense Force, a war frenzy was carried out in which a surface-to-air missile, the (Sispero), was fired, aimed at a simulated unmanned target.

Prior to this exercise, landing operations and sea lane blockade exercises, including an antisubmarine exercise simulating a military attack against us, were carried out to prepare for an emergency on the Korean peninsula. This act runs counter to the present era which is moving toward detente and peace following the end of the Cold War. This is a grave challenge toward the people of Asia and the world. Moreover, what cannot be overlooked at this Rimpac-96 exercise is that the brunt of this military exercise was wholly aimed at our Republic.

While reporting this exercise live on the spot, a Japanese broadcast reporter pointed out that the Rimpac exercise initiated by the United States is in preparation for the occurrence of a tense situation, being aware of particular regions such as the Korean peninsula and the Persian Gulf. Rimpac-96 regards us as its first target, and is turning its main arrow to crush our Republic militarily. Here lies the grave and dangerous nature of the exercise.

As already reported, besides the United States, Japan, and the South Korean puppets, Canada and Australia are also taking part in Rimpac-96. Over 40 vessels and some 250 military aircraft have been mobilized in this exercise. The U.S. imperialist warmongers have dragged the enormous forces of their Navy and Air Force to the seas off (Oahu?) Island, have assembled them, and have carried out for almost one month a military exercise that opposes our Republic and independent countries.

The emergency in the Far East they talk about mainly means an emergency on the Korean peninsula. In other words, they are holding military exercises because we can cause a war in the future. However, this is on the contrary a theory of a thief. An emergency in the Far East or the Korean peninsula, which they are talking about, is only a means to rationalize the increase of their armed forces and their aggressive military exercise while realizing their ambition for domination of Korea and Asia.

To realize such ambitions of domination, the U.S. imperialists are dragging the Japanese Self-Defense Forces and the South Korean puppet army under their initiation, thus trying to form a strong anticommunist crusade with themselves as the mother's body. Rimpac- 96 is one of the chains. In other words, stemming from their Asia-Pacific policy, the United States is trying to aggravate the situation to the utmost by endlessly holding war exercises in this region; is blaming the responsibility on us; if a war does break out, is planning to mobilize revisionist countries and the puppets' aggressive forces; and is trying to do something to us in a single blow.

The South Korean puppets are the shock brigade for such war scenarios by the U.S. imperialists. An example of this is that the South Korean puppet Navy and vessels are participating in the Rimpac-96 exercise. Along with such joint war exercises with the U.S. imperialists, the South Korean puppets are frequently holding surprise attack exercises against our Republic. Recently, the puppets conducted a landing surprise exercise along the West coast for two weeks.

All facts show that the U.S. imperialists and South Korean puppets are truly the ringleaders bringing about a tense situation in Korea and the Asia-Pacific region; they are warmongers driving the fire cloud of war.

As shown in Rimpac-96, the war frenzy by the U.S. imperialists and the South Korean puppets has reached an extreme. However, any kind of war maneuvers by the U.S. imperialists and the South Korean puppets cannot surprise us by any means.

Our people want peace, but we are by no means afraid of war. If the U.S. imperialists and South Korean puppets do not listen attentively to our warning, and if they continue to move along the road of war, they must correctly know that no good results will be brought to them.

DPRK: Foreign Media Call U.S. 'Provoker' of Korean War

SK2506101396 Pyongyang KCNA in English 0851 GMT 25 Jun 96

[FBIS Transcribed Text] Pyongyang, June 25 (KCNA) — The world public charge that the U.S. is the provoker of the Korean war (June 25, 1950 - July 27, 1953).

The Russian paper PATRIOT in an article titled "How Americans Prepared War in Korea" disclosed the planned military action of the U.S. to start the Korean war.

After the Second World War, the U.S. regarding the Korean peninsula as a bridgehead and strategic base for occupation of the Asian continent built up the aggressive Armed Forces over 100,000 strong in South Korea, the paper said, adding:

The U.S. set the "northward invasion" as an urgent task and started to draw up a plan for the war from 1949.

Dulles, the then presidential envoy, came to Seoul on the eve of the war and inspected the "defense line" at the demarcation line. After "secret talks in Tokyo", he told newsmen that a planned and active move of the U.S. will start in a few days.

This meant that the U.S. finally decided to unleash a war of aggression in Korea on June 25, the paper noted.

The Indian journal "BRISAR MAIL" said that the U.S. despite its ambition to occupy the whole of Korea in a breath suffered a great defeat in the Korean war. Citing figures indicative of the defeat, the journal noted that the myth about the U.S. "mightiness" was shattered in the Korean war.

The Burundian paper LA NATION said that the U.S. started the Korean war on June 25, 1950 but had to propose armistice talks a year later.

The Mozambican Committee for Friendship With the People of the DPRK in a statement said:

The U.S. started the Korean war in the 1950s on a ready-made script and tried to deceive the world, but the method was too immature and stupid.

If the U.S. dare unleash another war in Korea, it will meet the same disgrace and defeat as it did in the 1950s, the statement stressed.

DPRK: Pomminnyon Canada Head Criticizes Kim Yong-sam Regime

SK2106104396 Pyongyang KCNA in English 0826 GMT 21 Jun 96

[FBIS Transcribed Text] Pyongyang, June 21 (KCNA) — Chon Sun-yong, chairwoman of the Canadian headquarters of the National Alliance for the country's reunification (Pomminnyon), sent a petition to an international orgnaization which deals with human rights and release of political prisoners, on May 30 in connection with the Kim Yong-sam fascist clique's crackdown on the members of the South side headquarters of Pomminnyon.

The petition charged that the Kim Yong-sam regime illegally arrested hard-core members of the South side headquarters of Pomminnyon to block the reunification movement and inflicted penalties on chairman Rev. Kang Hui-nam and other members.

The South Korean authorities arrested them by invoking the "National Security Law" in a bid to divert the unprecedented public criticism of their irregularities and the corruption of the incumbent "president" and two former despotic "presidents", said the petition, and added:

The "national security law" is an evil law that brands fellow countrymen as "enemies", and conscientious men, ardent patriots and figures who devote themselves to national reunification as "spies". The petition called upon the international organization to support and encourage the struggle of the Koreans in Canada for the immediate release of the members of the South side headquarters of Pomminnyon.

DPRK: Committee Demands ROK Release Arrested Pomminnyon Members

SK2406035096 Pyongyang KCNA in English 0341 GMT 24 Jun 96

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — The North and Overseas Joint Measure Committee for Release of South Korean Patriots for Reunification sent letters to international organizations including the UN Commission on Human Rights in connection with the fact that the South Korean authorities illegally arrested and persecuted hard-core members of the South side headquarters of the National Alliance for the Country's Reunification [Pomminnyon] and sentenced them to prison terms by invoking the "National Security Law".

The repression was motivated by their wicked scheme to crush the patriotic forces in South Korea desirous of national unity and reunification and seek a way out of the ruling crisis, the letters said.

They noted that the South Korean authorities' anti-ethical conduct and violation of human rights is the biggest crime in the present civilized society which values human life and loves justice and peace.

The letters expressed the hope that the international organizations that cherish justice and peace will sternly condemn the anti-national and anti-reunification moves of the South Korean authorities and actively exercise their influence for the acquittal of all the pro-reunification patriots and for their free reunification movement.

DPRK: 'Struggle' of ROK Trade Unions Reported

SK2106104696 Pyongyang KCNA in English 0828 GMT 21 Jun 96

[FBIS Transcribed Text] Pyongyang, June 21 (KCNA) — The chairman of the General Federation of Democratic Trade Unions (Minjunochong" of South Korea, Kwon Yong-kil, vowed in a press conference to unfold a more powerful struggle, a Seoul-based radio said.

Lashing out at the puppet authorities for their moves to quell the workers' struggle labelling it as "illegal", he announced that a solidarity walkout will be staged on June 21 and a large-scale rally held on June 22 in case the "government" drives the situation to a catastrophic phase with the mobilization of police forces.

Upset by the announcement, the puppet labour ministry is scheming to block the workers' struggle.

DPRK: CPRF Denounces ROK 'Fascist Suppression' of Labor Movement

SK2406040996 Pyongyang KCNA in English 0344 GMT 24 Jun 96

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in its Information No. 716 June 23 denounced the South Korean ruling quarters' suppression of the workers demanding the right to existence and democratic freedom.

The South Korean rulers are committing fascist suppression of the workers who struggle for wage hike, the information said, and noted: That the South Korean workers suffering from poverty and non-rights stage strikes in demand of wage hike is an exercise of the most elementary right for existence, and it can never become a target of suppression.

The further the repressive offensive against the labour movement at the point of the bayonet is intensified in

South Korea, the stronger the resistance and hatred of the workers will be. It will result in bringing earlier the destruction of the puppets.

The demand of the South Korean workers who turn out in the struggle for existence, with nowhere to retreat, should be met without delay, and the South Korean rulers' high-handed fascist suppression of the labor movement should be stopped at once.

DPRK Paper Denounces Kim Yong-sam Group's Labor Policy

SK2506041696 Pyongyang KCNA in English 0328 GMT 25 Jun 96

[FBIS Transcribed Text] Pyongyang, June 25 (KCNA) — The Kim Yong-sam group on June 21 arrested 65 members of the trade union of the Hilton Hotel in Seoul who were on an allround strike in demand of the wage hike.

Branding this as a fascist suppression to block at the point of the bayonet the labour movement which is daily gaining momentum, a news analyst of NODONG SINMUN today says:

The Kim Yong-sam group are now restless, upset by the labour movement and patriotic movement for reunification which are rapidly expanding all over South Korea.

Workers of many enterprises started or vow strikes in demand of their vital rights and democracy; movements for independence, democracy and reunification are growing not only in schools and labour and other circles but also in the puppet army.

Under these conditions, the puppet clique have launched a frantic fascist offensive to "wipe out" democratic forces.

It goes without saying that the frenzied suppression is a criminal act intended to bridge over the catastrophic crisis of the government by emasculating the pro-reunification, patriotic-minded forces and the labour movement at the point of the bayonet.

If the Kim Yong-sam group do not want to follow in the footprints of their predecessors who collapsed while in frantic fascist suppression, they must give up the bestial crackdown upon the pro-reunification, democratic forces at once.

DPRK: ROK Imprisonment of Pro-Reunification Students Denounced

SK2206081496 Pyongyang KCNA in English 0727 GMT 22 Jun 96

[FBIS Transcribed Text] Pyongyang, June 22 (KCNA) — The overseas headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) issued a statement denouncing the Kim Yong-sam fascist clique for sentencing Chong Min-chu and Yi Hye-chong, "birds of hope for reunification," to imprisonment on charges of violation of the anti-reunification "National Security Law."

The two girl students played a big role in demonstrating the reunification-oriented will of the 70 million Koreans at home and abroad and achieving great national unity as they participated in the grand national reunification festival marking the 50th anniversary of national liberation and a similar festival of Pomchonghangnyon at Panmunjom, representing the ardent desire for reunification of the million students under the South Korean Federation of University Student Councils and other people.

The statement praised their activities as a righteous patriotic action to put an end to the disgraceful history of division and condemned the Kim Yong-sam fascist clique's suppression of them as a criminal act against the country and the nation.

"We declare that we will firmly unite with the youth and students in the South and North of Korea and wage a fierce struggle against the separatist forces so that the anti-reunification 'National Security Law' may be abolished and Chong Min-chu and Yi Hye-chong, our pride and 'birds of hope for reunification,' may be released," said the statement.

DPRK: Arrest of Student by ROK 'Fascist Clique' Noted

SK2606062196 Pyongyang KCNA in English 0446 GMT 26 Jun 96

[FBIS Transcribed Text] Pyongyang, June 26 (KCNA) — The South Korean "civilian" fascist clique on June 23 arrested Kim Kon-su, vice-chairman of the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), a Seoul-based radio said.

The fascist clique had sought the student, for he organised an anti-"government" demonstration and waged positive activities of Pomchonghangnyon for the reunification of the country.

This arouses indignation of many youth and students.

DPRK Daily on ROK 'Fascist Offensive' Against 'Leftist Forces'

SK2406041896 Pyongyang KCNA in English 0415 GMT 24 Jun 96

["Suppression of 'Leftist Forces' in S. Korea Denounced" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — The Kim Yong-sam group are these days frantically cracking down upon the struggle of South Korean patriotic forces calling for independence, democracy and reunification under the pretext of checking the movement of "leftist forces."

Commenting on this fascist offensive, a signed article of NODONG SINMUN June 23 says:

Nowadays, the fascist clique are hell bent on investigation, arrest and trial of pro-reunification democratic forces including patriotic students, workers, peasants and dissidents.

The reason why they brand these forces as "leftist forces" is that they want to justify their fascist offensive to stifle patriotic-minded democratic forces calling for reunification at the point of the bayonet and to maintain and prolong the "civilian"-veiled dictatorship.

Ridiculous is the group's allegation that these forces are "leftist forces sympathising with communism" because their demands are identical to the North's.

The pro-reunification democratic forces of South Korea hold that for the peace and reunification of the country, the North and the South should have contact and exchange and achieve the reunification by means of confederacy.

By incriminating and suppressing their patriotic demand as "pro- communist", the Kim Yong-sam group reveal once again that they are a group of despicable traitors who seek only treachery, fascism and division against national reconciliation and reunification.

Preposterous are the utterances of the Kim Yong-sam group that the "leftist forces" must be checked because they intend to demolish the "liberal democratic system" of South Korea.

Their outcries about "defence of the system" mean that they would maintain at the point of the bayonet the colonial fascist dictatorial system rejected by the people, the system of anti-DPRK confrontation, division and war.

What they seek is to win over the conservative forces of the opposition with outcries about "threats of leftist violent forces against the system" and bring the political situation under their control and isolate and disintegrate one by one patriotic-minded democratic forces calling for reunification by labelling the ever mounting movement for independence, democracy and reunification as "leftist and violent".

DPRK: Papers Denounce Kim-Hashimoto Summit in Cheju

SK2606050896 Pyongyang KCNA in English 0456 GMT 26 Jun 96

[FBIS Transcribed Text] Pyongyang, June 26 (KCNA) — Pyongyang-based papers today comment on the talks between Japanese Prime Minister Hashimoto and the traitor Kim Yong-sam of South Korea in Cheju Island on June 22 and 23.

At the talks, the traitor Kim Yong-sam prattled that "Japan's role is important" in ensuring peace and stability in the Korean peninsula and begged for "active support and cooperation" of Japan. Worse still, he tenaciously tried to bar Japan from coming closer to the DPRK.

A news analyst of NODONG SINMUN says:

These foolish acts of the traitor Kim Yong-sam are a flunkeyist and treacherous crime against the nation, motivated by his apprehension that Japan's move for improved relations with the DPRK may be sped up in view of the trend of the international relations. By trying to hurt the fellow countrymen in the North in league with outside forces, Kim Yong-sam fully revealed once again his ugly image as a traitor who will unhesitatingly employ any disgraceful and shameful things for his personal indolence and the maintenance of his power. This is clearly proved by the fact that he turned his back on matters of principle including the issue on the past history of Japan. Principled matters including the "comfort women for the Japanese army" issue were not included in the agenda of the talks on the plea that they would be discussed at a "foreign ministerial" meeting.

As seen above, the traitor Kim Yong-sam sought a vicious design to curry favour with his masters in reward for shutting his eyes on Japan's past history woven with crimes and, furthermore, establish a "cooperation system" with Japan against the North.

A news analyst of MINJU CHOSON says that the intention of the traitor Kim Yong-sam to find a way out in his flunkeyist and treacherous policy of dependence upon outside forces and the anti- communist policy of confrontation with the North is nothing but a daydream.

DPRK: NODONG SINMUN Article Denounces ROK-Japan Summit

SK2606124896 Pyongyang Korean Central Broadcasting Network in Korean
0855 GMT 26 Jun 96

[NODONG SINMUN 26 June commentary: "Lily-Livered Flunkeyist Nation-Seller's Imprudent Acts"]

[FBIS Translated Text] Japanese Prime Minister Hashimoto and South Korea's puppet Kim Yong-sam held talks in Cheju Island on 22 and 23 June. The topics of their talks ranged from the World Cup soccer games to youth exchanges, economic issues, and cooperation in international organizations, but the traitor Kim Yong-sam focused on relations with the North. However, nothing was agreed upon concerning such issues, and no joint statement was issued.

Through the talks, the traitor Kim Yong-sam tried to improve relations with Japan, which had cooled since the inauguration of the Hashimoto regime; confirm their so-called alliance against the North; and put the brakes on the development of DPRK-Japan relations to save a little of their external interests. The traitor Kim Yong-sam slandered us at the talks and played mean because of his criminal intention.

The puppet traitor begged more active support and cooperation from Japan, saying it has an important role in achieving peace and stability on the Korean peninsula, and tenaciously maneuvered to put the brakes on Japan's approach to us. Such lily-livered [sulgae pajin] remarks and acts from the traitor Kim Yong-sam stem from his concern that Japan's approach to the North may be accelerated in view of the recent trend in international relations. His acts are flunkeyist, treacherous, antinational, criminal acts.

It is not accidental that South Korea's First Radio [KBS-1 Radio], commenting on the background and reason for Kim Yong-sam to aggressively pursue the talks despite Japan's passive reaction, stated that he tried to stop Japan's accelerated steps toward establishing diplomatic relations with the North.

During the talks, the traitor Kim Yong-sam tried to harm compatriots in league with foreign forces. This again plainly exposed his ugly nature as a nation-selling traitor who curries favor with foreign forces to maintain his own comfort and power, knowing no shame, dignity, or honor. The traitor Kim Yong-sam clearly expressed this by avoiding Japan's past and other issues of principle during the talks. The puppet traitor did not even include on the agenda the issue of comfort women for the Japanese army or other issues of principle, and slipped away, saying those issues would be discussed at the foreign minister level. Needless to say, this stems from the vicious attempt to curry favor with the master in return for covering Japan's past full of crimes, and, moreover, to establish an alliance against us.

In the first year he assumed power, putting up the civilian signboard, the traitor Kim Yong-sam had already had secret talks in Kyongju with then Japanese Prime Minister Hosokawa. He begged Japan to join the united front to plot and harm us in return for forgetting Japan's past. He is the ugliest pro-Japan flunkeyist nation-seller. The puppet traitor repeated the humiliating, flunkeyist, treacherous, and disgraceful behavior at the Cheju talks.

The spokesman of the South Korean Democratic Party denounced the subservient diplomatic attitude of the puppet traitor, saying that he did not resolve a single issue out of the pending issues, including Japan's past, piled up between the two sides. The spokesman of the United Liberal Democrats also spat on Kim Yong-sam's nauseating acts of not even attempting to receive a clear explanation for Japanese cabinet members' rash remarks concerning Japan's past.

Viewing the Cheju talks, the South Korean people reconfirmed the fact that the traitor Kim Yong-sam has abandoned all his national conscience and dignity; is a gaunt lynx [sirasoni] that is only accustomed to prolonging its life by clinging to the sleeves of foreign forces, not considering the interests of the country and nation; and is the most evil flunkeyist nation-seller with whom the people cannot share one sky.

The nation will never forgive the flunkeyist nation-seller who goes against their will. The traitor Kim Yong-sam will not avoid the stern punishment of the people and history for his antinational and antireunification crime.

DPRK: Prefectural Assemblymen Urge Improvement in DPRK-Japan Ties

SK2206081696 Pyongyang KCNA in English
0724 GMT 22 Jun 96

[FBIS Transcribed Text] Pyongyang, June 22 (KCNA) — Nine representatives of the Hyogo Prefectural Assemblymen's League for the Promotion of Japan-Korea Friendship, including Chairman Saburo Fujiwara and Secretary General Tetsu Sugita, were reported on June 13 to visit the residence of the Japanese prime minister and urge an early normalisation of relations between Japan and the DPRK.

They met with the deputy chief secretary of the cabinet, Kazo Watanabe, handed him a written request and told him they hoped that Japan would resume negotiations with the DPRK as soon as possible so that diplomatic relations between the two countries may be established at an early date.

The deputy chief secretary of the cabinet said the present government will follow the policy of the former three coalition government parties and invariably pursue the policy of promoting the normalisation of relations between Japan and the DPRK.

The Japanese Government attaches importance to friendly relations with neighbouring countries, feels responsibility for the misfortunes of the past and has the intention of repentance and apology, he said, hoping that state relations with the DPRK will be established at an early date.

DPRK: Meeting Held on Human Rights of Korean Residents in Japan

SK2206081796 Pyongyang KCNA in English 0711 GMT 22 Jun 96

[FBIS Transcribed Text] Tokyo, June 20 (KNS-KCNA) — The second research and exchange meeting of the Association for Human Rights of Koreans in Japan was held in Osaka on June 15-16.

At the meeting, O Su-chin, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) and chairman of the Osaka prefectural headquarters of Chongnyon, stressed the need to intensify the work for the human rights of Korean nationals and defend national independence and dignity in hearty response to the historic letter from the respected marshal Kim Chong-il.

He said the experts of the human rights association should expose the anti-national essence of the "franchise campaign" theoretically and in legal terms and play their role as standard-bearers in the mass movement and the effort to defend the rights and interests of Korean nationals.

Social-Democratic member of the House of Representatives of Japan Tomio Sakagami and the acting chairman of the Human Rights Committee of the Japanese Bar Association made speeches at the meeting.

A report on other relevant issues was also delivered.

DPRK: Two Japanese Urge Normalization of Japan-DPRK Ties

SK2506100896 Pyongyang KCNA in English 0854 GMT 25 Jun 96

[FBIS Transcribed Text] Pyongyang, June 25 (KCNA) — Former member of the House of Representatives of Japan Keiske Tanimura and member of the Okayama Prefectural Assembly Toshihiko Okamoto, who are secretaries of the Okayama Prefectural People's Forum for Japan- Korea Friendship, met with Prime Minister Ryutaro Hashimoto on June 20 and handed him a petition calling for an early normalization of diplomatic relations between Japan and the Democratic People's Republic of Korea.

They told him that the establishment of diplomatic relations between the two countries is not only very important for the Japanese people but also necessary for the prime minister and requested him to do his best to that end.

The prime minister said promoting the normalization of the bilateral relations is what was manipulated in the four-party agreement. He then expressed the willingness to strive for the purpose.

That day, they also met with Tomiichi Murayama, leader of the Social-Democratic Party, and handed a similar petition to him, calling for an early establishment of Japan-DPRK diplomatic relations.

Murayama vowed to continue making efforts for the opening of diplomatic ties between the two countries, saying it is natural that the bilateral relations are normalized as early as possible.

DPRK: Korean Residents in Japan Hold Conference on Education

SK2606084196 Pyongyang KCNA in English 0816 GMT 26 Jun 96

[FBIS Transcribed Text] Tokyo, June 24 (KNS-KCNA) — A conference for further developing national education of Korean children in Japan was held at the Korean House of Culture in Tokyo on June 23.

Speaking at the conference, Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), stressed: We should dynamically arouse the 700,000 Koreans in Japan to a new development of national education, bearing in our hearts the demand of a new era and the sacred mission and responsibility for the future destiny of compatriots.

Ho Chong-man, chief vice-chairman of the Chongnyon Central Standing Committee, in his report at the conference said that national education is the lifeline of the movement of Koreans in Japan and a starting point of all the patriotic activities as taught by the respected General Kim Chong-il.

He laid emphasis on decisively strengthening and developing national education in conformity with the requirement of the present-day reality and referred to the tasks for increasing the number of students.

An appeal to all the Korean compatriots in Japan and a proposal to the South Korean Residents Association in Japan (Mindan) were adopted at the conference.

The appeal said that today the Korean compatriots in Japan are faced with the sacred mission and heavy responsibility to inherit the brilliant traditions of national education and further strengthen and develop the national education of Korean children of the new generation in keeping with the demand of the new era. It ardently called upon all the Korean compatriots to rise up as one for a new development of national education.

It stressed the need for all the Korean compatriots to turn out for the true happiness of the posterity and worthwhile future of the cause of patriotism and decorate this year as a "year of national education" which will shine forever in the history of the movement of the Koreans in Japan.

A letter to the great leader Marshal Kim Chong-il was adopted at the conference.

DPRK Paper: Japan Uses DPRK Threat as 'Ruse' for Reinvasion

SK2406125596 Pyongyang Korean Central Broadcasting Network in Korean 0845 GMT 24 Jun 96

[NODONG SINMUN 24 June commentary: "Those Who Continue to Raise an Outcry Over Others Will Deal Themselves a Deadly Harm"]

[FBIS Translated Text] The Japanese reactionaries have yet to discard their baleful habit of trying to achieve their insidious goals by persistently picking quarrels with others. They did not forget to raise an outcry over us in mapping out a draft of this year's National Defense White Paper and a basic policy on reviewing the guideline for Japan-U.S. defense cooperation. In these drafts, they called us the first element that threatens Japan and the region.

Of course, Japan has repeatedly raised an outcry over our threat in the past. The Japanese reactionaries have mentioned threats from us on every occasion. The graveness of this matter lies in the fact that the Japanese reactionaries are raising an outcry over us, constantly mentioning a possible emergency on the Korean peninsula, at a time when the Japan-U.S. joint security statement has been announced, and based on it, a full-fledged reexamination of the guidelines for Japan-U.S. defense cooperation is being held.

In April, Japan and the United States announced the Japan-U.S. joint security statement, a detrimentally revised version of the U.S.-Japan Security Agreement. What is noteworthy here is that they will expand the Japan-U.S. security system to the Asia-Pacific region, and the two countries will jointly cope with an emergency in an area around Japan.

Originally, Article 5 of the Japan-U.S. Security Agreement stipulates that Japan and the United States will jointly cope with an emergency in Japan in case of an armed attack on Japan. The phrase "emergency in Japan" has changed into "an emergency in an area around Japan." That is, Japan and the United States will cooperate with each other militarily in an emergency in Japan or in a neighboring area. This enables the aggressive Japanese armed forces to openly conduct operations on the Korean peninsula and in other areas. This has virtually opened a way for a reinvasion by Japan.

Japan has so far violently accelerated preparations to become a military power. It has increased its military bases in a systematic way and equipped the Self-Defense Forces with updated means of war. It has also systematically conducted operational drills in preparation for war through U.S.-Japan joint military exercises.

Now, when it can conduct operations overseas to the full and is pushing ahead with preparations to become a military power, Japan, which aims at a reinvasion, needs a ruse. The very ruse Japan has found is the one that says we are threatening security of Japan and the region. It leaves no room for doubt that in case the U.S. bellicose forces provoke a new war, the Japanese aggressive forces will rush into war without hesitation under the ruse of joint countermeasures.

The aggressive nature of the Japanese reactionaries has never changed, and their ambition for reinvasion has reached an extreme level. As a result, the situation in Northeast Asia is developing into a more dangerous situation, and our security and sovereignty are greatly threatened. We cannot assume an indifferent attitude toward this situation. Only fools conduct reckless behaviors. There is also the proverb that says a newborn puppy is too young to fear a tiger. Japanese reactionaries act like such a puppy.

Our people do not forget the past, when they were forced to suffer and sacrifice due to the Japanese imperialists' aggression and occupation, and they are firmly resolved to make them pay dearly for it. The Japanese reactionaries had better act discreetly, remembering the bitter experience in its [Japan's] defeat.

DPRK: Japanese 'Reactionaries' Urged 'To Act With Discretion'

SK2406044896 Pyongyang KCNA in English 0426 GMT 24 Jun 96

["Japan Urged To Act With Discretion" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — The Japanese reactionaries, in this year's draft "defense white paper" and the "basic policy" on the reexamination of the Japan-U.S. defense cooperation guidelines, have defined the Democratic People's Republic of Korea as the first factor of threat to the security of Japan and this region.

Commenting on the fact, NODONG SINMUN today says it shows they have not discarded the ill-natured habit of trying to attain their ulterior purpose by picking a quarrel with others.

In a commentary titled "Those Who Are Used To Taking Issue With Others Involve Themselves in a Serious Trouble" the daily says:

The Japanese reactionaries have let no chance pass by without charging the DPRK with "threat". What matters is that they have still raised outcries over "emergency in the Korean peninsula", taking issue with the DPRK, at a time when the "Japan-U.S. Joint Declaration on Security" has been made public and the reexamination of the defense guidelines has been in full swing.

With the way of overseas operation already paved and the conversion of Japan into a military power being accelerated, Japan now finds it necessary to have a pretext for reinvasion. This is why they are claiming that the DPRK threatens the security of Japan and the region.

The aggressive nature of the Japanese reactionaries has remained unchanged and their ambition for reinvasion has been past control. As a result, the situation of the Northeast Asian region has been rendered more perilous and the DPRK's security and sovereignty have been threatened seriously.

We cannot remain an onlooker to this situation.

The Korean people have always remembered the years when the country was invaded and occupied by the Japanese imperialists. They are now hardening their determination to make Japan pay for what the imperialists did in the past.

The Japanese reactionaries had better act with discretion, always mindful of Japan's defeat in the past.

DPRK: Japanese Hospital Director Donates '1,000 Tons of Rice'

SK2506041996 Pyongyang KCNA in English 0330 GMT 25 Jun 96

[FBIS Transcribed Text] Pyongyang, June 25 (KCNA) — Kim Man-yu, director of Nishiarai Hospital, donated food to the socialist homeland out of his patriotic mind hoping that the flood damage will be healed at an early date.

A donation ceremony was held on June 24.

Present there were Chairman of the Pyongyang Municipal Administrative and Economic Committee Yang Man-kil, other officials concerned and the director and his party.

1,000 tons of rice were conveyed at the ceremony.

Kim Man-yu said: "I will be very delighted if the rice is a little helpful to the home people who are vigorously struggling for prosperity of their country and their motherland under the wise leadership of the respected General Kim Chong-il.

DPRK: PRC Peace, Disarmament Delegation Leaves

SK2106145196 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Jun 96

[FBIS Translated Text] A delegation of the Chinese People's Association for Peace and Disarmament led by its Vice-President Lin Huaxuan left for home on 19 June by plane.

Yi Song-ho, vice chairman of the DPRK National Peace Committee, and (Huang Matai), a counselor of the PRC Embassy to the DPRK, saw the delegation off.

DPRK: Delegation of PRC Power Industry Ministry Departs

SK2106143596 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Jun 96

[FBIS Translated Text] A Chinese delegation led by Wang Xicheng, vice minister of power industry of China, left for home today by plane after attending the 49th council meeting of the DPRK-China Hydroelectric Power Company.

Han Kuk-sung, first vice minister of the electric power industry of the DPRK, and Sui Xudong, charge d'affaires ad interim of the Chinese Embassy to the DPRK, saw the delegation off at the airport.

During its stay, the delegation visited Mangyongdae, the Chuche Tower, the Arch of Triumph, the Mt. Taesong Revolutionary Martyrs Cemetery, the Friendship Tower, and various other places and journeyed to scenic Mt. Kumgang.

DPRK: KCNA Delegation Departs for China

SK2406085696 Pyongyang KCNA in English 0838 GMT 24 Jun 96

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — A delegation of the Korean Central News Agency led by its vice-general director Song Pong-sun left here today to visit China.

The delegation was seen off at Pyongyang railway station by Pak Hyon-kyu, vice-general director of the KCNA, and Song Masuo, councillor of the Chinese Embassy here.

DPRK: Malaysian Government Delegation Arrives in Pyongyang

SK2506101296 Pyongyang KCNA in English 0856 GMT 25 Jun 96

[FBIS Transcribed Text] Pyongyang, June 25 (KCNA) — A Malaysian Government technological and economic delegation headed by Siti Zainab Dato' Sheikh Abu Bakar, Deputy Minister of Primary Industries, arrived here today.

The delegation was met at the airport by Kim Tong-myong, vice- chairman of the state external economic affairs commission.

DPRK: Hwang Chang-yop-Led WPK Delegation Leaves for SRV

SK2506100396 Pyongyang KCNA in English 0857 GMT 25 Jun 96

[FBIS Transcribed Text] Pyongyang, June 25 (KCNA) — A delegation of the Workers' Party of Korea [WPK] led by Hwang Chang-yop, secretary of the WPK Central Committee, left here today to participate in the 8th Congress of the Communist Party of Vietnam.

It was seen off at the airport by Department Director of the WPK Central Committee Hyon Chun-kuk, Charge d'Affaires ad Interim of the Vietnamese Embassy here Nguyen an Duy and Charge d'Affaires ad Interim of the Chinese Embassy here Sui Xiudong.

DPRK: Meeting of Solidarity With Korean People Held in France

SK2606091996 Pyongyang KCNA in English 0826 GMT 26 Jun 96

[FBIS Transcribed Text] Pyongyang, June 26 (KCNA) — A meeting of solidarity with the Korean people was held in France on June 16 on the occasion of the June 25-July 27 month of solidarity with the Korean people.

Present there were Andre Aubry, chairman of the French Action Committee To Support the Independent and Peaceful Reunification of Korea, and Guy Dupre, secretary general of the International Liaison Committee for Reunification and Peace in Korea.

Andre Aubry said in his speech that the United States unleashed a war in Korea in the 1950s to realise its ambition for world domination, but it sustained a serious political and military defeat in face of the heroic struggle of the Korean people firmly united around their respected leader, His Excellency Kim Il-song.

Noting that the DPRK put forward many proposals and consistently made efforts to ensure a lasting peace on the Korean peninsula, he said that if the U.S. truly wants peace it should immediately respond to the DPRK-proposed peace negotiation.

The independent and peaceful reunification of Korea will certainly be achieved, he said, and called for invigorating the solidarity movement to this end.

DPRK: Mexican Workers' Party Official Comments on Visit

SK2606085696 Pyongyang KCNA in English 0811 GMT 26 Jun 96

[FBIS Transcribed Text] Pyongyang, June 26 (KCNA) — Jose Luis Lopez, member of the national political committee of the Workers' Party of Mexico, gave impressions he gained during his 10-odd-day stay in Korea.

He said:

The great President Kim Il-song is the leader of the people.

He wisely organised and directed the anti-Japanese revolutionary struggle with the firm determination to achieve the restoration of the country at any cost.

After the restoration of Korea, he had no time to dissipate his fatigue from the anti-Japanese war but founded the Workers' Party of Korea and the Democratic People's Republic of Korea, surmounting manifold difficulties and obstacles. And he led the fatherland liberation war against the U.S. imperialists to a brilliant victory.

Comrade President Kim Il-song, who devoted everything solely to the victory of the revolution and the prosperity of the nation from the days when he got out of the wicker gate of his old home in Mangyongdae in his childhood to the last moment of his life, is, indeed, a great leader of the people.

When streets and houses are built, the respected Comrade Kim Chong-il sees to it that the convenience of the people is taken into fullest consideration. He educates officials to serve them.

He is the genuine father of the people who always puts them forward and feels his pleasure in their happiness.

It is thanks to his popular politics that Korea is famous worldwide as a country in which the people are valued most and as a socialist country centred on the popular masses.

Referring to the fact that Comrade Kim Il-song and Comrade Kim Chong-il, who devoted their all to the happiness of the people, took a measure to exhibit the gifts they had received from a large number of party and state leaders, figures of political and public circles and progressive people all over the world at the international friendship exhibition, Lopez said:

The exhibition is an asset of humankind and a treasure of the world, which will shine forever with the August names of Comrade Kim Il-song and Comrade Kim Chong-il.

The Korean people are hardening their determination to accomplish the revolutionary cause of chuche, holding President Kim Il-song in high esteem as their eternal leader.

This is illustrated by the fact that all things in Korea are going on in accordance with the ideas and lines advanced by the president and brilliant achievements have been made in the course of this.

The great Comrade Kim Chong-il took a measure to build the Kumsusan Memorial Palace as a world-famous temple and preserve President Kim Il-song in state as wished and demanded by the people.

I visited the Kumsusan Memorial Palace in which President Kim Il- song is preserved in state and made the following entry in the visitor's book:

"Undying exploits performed by Comrade Kim Il-song for the Korean people will be everlasting.

"His great activities are a valuable example for all the people who are fighting to provide humankind with the happiest life.

"This example is shining brighter in Korea thanks to the great leader Comrade Kim Chong-il.

"Humankind will deeply love and uphold forever President Kim Il- song and Comrade Kim Chong-il, who instilled them with the confidence in the victory of socialism."

DPRK: Yang Hyong-sop-Led SPA Delegation Arrives in Brazil

SK2106140496 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Jun 96

[FBIS Translated Text] A DPRK Supreme People's Assembly [SPA] delegation led by Chairman Yang Hyong-sop arrived in Brasilia, capital of Brazil, on 17 June. (Antonio Brasi), chairman of the Brazil-DPRK Lawmakers Group, and other senators and deputies of the National Assembly; the international and education secretaries of the 8 October Movement of Brazil; the chairman and general secretary of the Brazil-DPRK Friendship Society; and other figures received the delegation at the airport.

Meantime, the delegation stayed in Lima, capital of Peru, on its way to Brazil after leaving Colombia on 15 June.

DPRK: Yi Chin-su Attends Meeting To Mark Mozambican Anniversary

SK2506035796 Pyongyang KCNA in English 0313 GMT 25 Jun 96

[FBIS Transcribed Text] Pyongyang, June 25 (KCNA) — A lecture meeting took place here on Monday under the sponsorship of the Korea-Mozambique Friendship Association to mark the 21st anniversary of Mozambique's independence and the founding of the Republic of Mozambique.

Present at the lecture meeting were Yi Chin-su, vice-chairman of the Central Committee of the General Federation of Trade Unions of Korea and vice-chairman of the Korea-Mozambique Friendship Association, and other officials concerned and working people in the city.

Yi Chin-su gave a lecture titled "Mozambique Today".

DPRK: Foreign Signature Campaigns Support Peace Proposal

SK2406083696 Pyongyang KCNA in English 0813 GMT 24 Jun 96

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — A signature campaign took place in Egypt and Uganda between June 12 and 18 supporting the DPRK's new proposal for peace.

The signature paper was signed by Rifaat Es-said, general secretary of the National Progressive Unionist

Party of Egypt on behalf of his party members and supporters for the party's program and by the deputy commander of the motorized unit of the Ugandan People's Defense Forces on behalf of the unit's soldiers, the chairman of the National Youth Council of Uganda on behalf of 6 million young people and the general director of the Korea-Uganda Milling Company on behalf of the company members.

DPRK: Functionaries Praise 'Immortal Feats' of Kim Chong-il

SK2106231696 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 19 Jun 96

[FBIS Translated Text] Over the past 30 years since he began working at the party Central Committee, the great leader [widaehan yongdoja] Comrade Kim Chong-il has wisely led all people in the struggle for socialist economic construction, has achieved a world-class miracle, and has unfolded an epoch-making epic throughout this land.

A station reporter met with Comrade Yi Chang-sun, vice chairman of the Materials Supply Committee, and Comrade Ma Sung-nim, chief of a bureau.

[Begin recording] [Yi] In retrospect, the respected and beloved Comrade Kim Chong-il has wisely led chuche-oriented party and army building as well as the grand socialist construction over a long period of history, and has accumulated immortal feats before the fatherland and the people. The respected and beloved general has put forward the modeling of the entire society on the chuche idea as a general duty of our revolution, and has inspired the entire party, the entire Army, and all the people to gloriously achieve the great leader's [widaehan suryongnim] plans and intentions by vigorously carrying out the three revolutions—ideological, technological, and cultural—at each period and stage. With a steadfast will to gloriously implement any task without questioning if this task is what the great leader [widaehan suryongnim] wanted implemented, no matter how difficult it may be, the respected and beloved Comrade Kim Chong-il has achieved incessant innovations and leaps in all areas by organizing and mobilizing all party members and people, and by leading them to carry out a bold and all-out drive for the grand socialist construction. I will cite just a few major examples. The 70-day struggle, the 200-day struggle, the speed movement of the 1980's, and the movement to create speed in our own style of socialism, which have embroidered our country with incessant advancements and innovations in the 1970's, the 1980's, and the 1990's, are unthinkable without the respected and beloved general's high loyalty and noble intention to gloriously carry out the great leader's [widaehan suryongnim] idea of socialist construction and to make our country display its might as a sovereign, independent, and self-defensive powerful socialist country.

[Ma] I agree. The respected and beloved general has not only exercised wise leadership to make constant innovations and advancements in socialist economic construction, but has also gloriously displayed the era of the Workers Party of Korea by building numerous monumental edifices in our country. Take for example the Sohae lockgate, envied by people of the world. It was built in five years. We know how well and wisely the respected and beloved Comrade Kim Chong-il has led the grand socialist construction. In addition, he has established many monumental edifices in the capital alone, including the Chuche Tower, the Arch of Triumph, and the Monument to the Party Foundation, and has made our people live without envy for anyone by building tens of thousands of modern households in Munsu and Kwangbok Streets.

Truly, the world-class changes that have taken place in our fatherland over the past 30 years, and the numerous monumental edifices that display the era of the Workers Party, are traces of the great leadership of the respected and beloved Comrade Kim Chong- il, who has a firm will to devote himself to give happiness and satisfaction to the great leader [widaehan suryongnim] and who mobilized all people in the struggle to most brilliantly implement the leader's [suryong] wishes.

[Yi] Keeping in mind the fact that the great leader [yongdoja] Comrade Kim Chong-il's leadership was, is, and will be the lifeline of our revolution and a source of invincibility for good, we will brilliantly implement the respected and beloved general's plan for socialist economic construction, filled with faith and optimism. [end recording]

DPRK: Kim Chong-il Thanks Those Who Display Army-People Unity

SK2106030396 Pyongyang KCNA in English 0302 GMT 21 Jun 96

[FBIS Transcribed Text] Pyongyang, June 21 (KCNA) — The great leader Comrade Kim Chong-il thanked servicemen of the Kim Song-il Unit of the Korean People's Security Forces, Pak Yong-chol, section chief of the Central Scientific and Technological Information Agency, and his family, Kang Ok-chu, an instructor of Hong Song-sun Supply Station and many other officials, working people and servicemen for giving full play to the traditional beautiful traits of army-people unity.

The traditional traits of army-people unity are prevailing in Korea.

DPRK: Kim Chong-il Thanks Officials, Workers for Afforestation

SK2206042496 Pyongyang KCNA in English 0413 GMT 22 Jun 96

[FBIS Transcribed Text] Pyongyang, June 22 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to officials and working people of central state organs and South Pyongan and North Hwanghae provincial and Nampo municipal institutions and enterprises for setting examples in the afforestation of the areas around the Kumsusan Memorial Palace, the supreme temple of chuche.

They planted large numbers of beautiful and precious trees in the areas around the memorial palace, with a firm belief that the great leader President Kim Il-song will always be with them.

DPRK: Kim Chong-il Sends Birthday Table to School Principal

SK2206081596 Pyongyang KCNA in English 0712 GMT 22 Jun 96

[FBIS Transcribed Text] Pyongyang, June 22 (KCNA) — The great leader Comrade Kim Chong-il sent a dinner table to Kim Su-pok, principal of the Pyongyang Changjon Primary School, on her 60th birthday.

She is labor heroine and people's teacher. She has devotedly worked to educate the younger generation to be dependable successors to the chuche revolution for more than 40 years.

DPRK: Education Conference in Japan Sends Letter to Kim Chong-il

SK2606090096 Pyongyang KCNA in English 0804 GMT 26 Jun 96

[FBIS Transcribed Text] Pyongyang, June 26 (KCNA) — A letter was sent to the great leader Marshal Kim Chong-il by the participants in a conference held to further develop the national education of Korean children in Japan.

The letter dated June 23 says that over the past five decades 100,000 young compatriots underwent national education, inheriting the spirit of the nation, the spirit of patriotism. "This achievement made by the General Association of Korean Residents in Japan is a precious fruition of the wise guidance and deep loving care of the great leader Generalissimo Kim Il-song and you Marshal Kim Chong-il," it says.

It notes that the participants resolved to put national education on a higher stage, considering it vital to the patriotic movement for rearing the rising generation to be reliable heirs to the Japan- resident Koreans' movement.

"We will fully discharge our duty with national conscience as true patriots in bringing up the Korean children in Japan to be able men and women, knowledgeable, virtuous and healthy, who serve the nation faithfully," the letter says.

The letter also expresses their determination to frustrate Korean and foreign reactionaries' moves to assimilate the Korean children to Japan, with concerted efforts and national indignation and in the spirit of national independence, the life and soul of the nation, and steadfastly defend the right to independent national education.

"We, in response to the historic letter sent by you the respected general, will bring about a decisive turn of the Korean compatriots' movement first in the education of the rising generation and open up a new era of a proud, developing national education," it says.

The letter wholeheartedly wishes marshal Kim Chong-il good health and a long life.

DPRK: SKNDF Praises Kim Chong-il as 'Most Brilliant General'

SK2306053196 Pyongyang KCNA in English 0504 GMT 23 Jun 96

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — The reverence for the great leader Comrade Kim Chong-il is growing deeper among the South Korean people, the Seoul-based radio Voice of National Salvation quoted information from the Seoul city and South Cholla Provincial Committees of the National Democratic Front of South Korea [SKNDF] as saying.

A retired army officer Yi in Seoul told his colleagues while talking about the situation in late-April:

"The North is led by Kim Chong-il, the greatest of great men and the most brilliant general produced by Mt. Paektu.

"Thanks to my special duty during my military service, I could study a lot of books and materials on General Kim Chong-il's outstanding military strategy and commanding art.

"The stories about him were just like legends. I believe that there is no such brilliant general as him in the world.

"He is the most brilliant general ever in history.

"I am sure no army on earth can match the People's Army led by General Kim Chong-il."

The Hyangil Society in Chosun University in Kwangju sponsored a meeting of giving impressions of the Korean feature film "The Star of Korea" (Parts 1-4).

A student Pak of the university told the meeting:

"The most urgent task of the student movement is to learn from the precious experience of the great leader President Kim Il-song in leading the youth and student movement in the early days of his revolutionary activities.

"Let us all uphold the Leader Kim Chong-il to the last, as the youth vanguards of the anti-Japanese struggle defended hanbyol (Kim Il-song).

"Let us discharge the mission of the honorable first generation of the Kim Chong-il era with all devotion."

DPRK: Kim Chong-il Inspects Power Station Construction Site

SK2506233696 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 25 Jun 96

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], has inspected the Yongwon Power Station which is under construction.

Comrade Kim Chong-il, the great leader [yongdoja] of our party and people who is chairman of the DPRK National Defense Commission and KPA supreme commander, inspected the Yongwon Power Station, which is under construction, on 24 June.

Comrade Kye Ung-tae, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and secretary of the party Central Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee, and other functionaries concerned, accompanied him.

Put up at the construction site were militant slogans containing the determined loyalty of soldier-builders, including "Long live the respected and beloved supreme commander Comrade Kim Chong-il!", "Let us defend with lives the nerve center of the revolution headed by the great Comrade Kim Chong-il [widaehan kim chong-il tongjirul subanuro hanun hyongmyongui sunoebu]!", "We will carry out what the party decides!", "Let us all live and struggle in a heroic manner!", and the like.

At 1000 [0100 GMT] in the morning, Comrade Kim Chong-il arrived at the power station construction site.

Comrade Kim Chong-il was greeted on the spot by Comrades Chong Sang-ho and Yang Sung-paek, lieutenant generals of the KPA, and other KPA generals and officers.

After hearing the report that was delivered upon his arrival, Comrade Kim Chong-il toured dams and structures, which were being built on a large scale, and acquired a concrete understanding of the status in the power station's construction.

The Yongwon Power Station, which will produce a great amount of electricity by walling up the upper reaches of Taedong River with abundant waterpower resources, is one of the power stations that is being built in compliance with the great leader Comrade Kim Il-song's profound idea for great nature-remaking projects.

The great leader [suryongnim] personally designated the location of the Yongwon Power Station, on the spot, and taught that the construction of power stations should be completed expeditiously so as to satisfactorily meet the national economy's demand for electric power that is increasing daily. He visited the power station construction site twice and brightly expounded the direction and methods of construction.

By upholding the slogan that they will take charge of defending the fatherland and socialist construction as well, the soldier- builders rushed to the power station construction site and carried out a great amount of works by displaying the mass heroism and patriotic sense of devotion.

Touring the power station construction site, Comrade Kim Chong-il noted that soldier-builders of this army unit, who greatly contributed to building the monumental creations including construction of Pyongyang-Nampo expressway; Mirim lockgate, and Tonghwa lockgate, are also creating brilliant feats in construction of the Yongwon Power Station. He highly appraised their achievements.

Comrade Kim Chong-il said that the soldier-builders should struggle by dedicating all strength and wisdom to power station construction, and should brilliantly bloom on this land the lofty desire of the fatherly leader who dedicated his whole life to the prosperity and development of the socialist fatherland and to the happiness of our people.

Comrade Kim Chong-il stressed that the electric industry is of great significance in more sufficiently displaying the great potentials of our mighty self-reliant national economy.

All soldier-builders in Yongwon Power Station were filled with the firm determination to positively contribute to the nation's prosperity and development by thoroughly implementing the militant tasks set forth by the respected and beloved supreme commander Comrade Kim Chong-il.

DPRK: Kim Chong-il Inspects Army Unit Supply Bases 24 Jun

SK2606022496 Pyongyang Korean Central Broadcasting Network in Korean 2111 GMT 25 Jun 96

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], inspected the supply bases of KPA Unit 770.

Comrade Kim Chong-il, the great leader [yongdoja] of our party and people who is chairman of the DPRK National Defense Commission and KPA supreme commander, inspected the supply bases of the KPA Unit 770 on 24 June.

He was accompanied by Comrade Kye Ung-tae, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and secretary of the party Central Committee, and Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee.

Comrade Yun Chong-nin, colonel general of the KPA, Comrade Choe Song-su, lieutenant general of the KPA, and other generals and officers were on hand.

Upholding the militant tasks concerning satisfactory implementation of welfare supply services [hubang konggup saop] for servicemen which were set forth by the great leader Comrade Kim Il- song and the respected and beloved supreme commander Comrade Kim Chong-il while giving on-the-spot guidances to the unit, the unit excellently built the supply bases, including greenhouses of vegetables, stock farms, and fish farms, thus resulting in a new turn in improving the soldiers' eating habits.

Comrade Kim Chong-il, touring greenhouses where various kinds of fresh vegetables were growing, acquired a concrete understanding of the status of greenhouse construction and vegetable farming, and expressed great satisfaction with the fact that each greenhouse increased vegetable production each year and sufficiently supplied various kinds of vegetables to the servicemen.

Comrade Kim Chong-il noted with great satisfaction that the unit built greenhouses with its own strength corresponding to topographical features of the area by highly displaying the revolutionary spirit of self-reliance and supplied fresh vegetables to soldiers in all seasons. Comrade Kim Chong-il said that the unit has turned stony fields into fertile fields by upholding the fatherly leader's teaching on vigorously carrying out the movement to discover new lands, and that the unit is now producing plentiful vegetables. This is indeed an excellent achievement worthy of pride. Thus, he highly appraised the achievements made by the unit. Comrade Kim Chong-il also stressed that the whole army and all the people should follow the example set by the unit in methodically managing the unit's economic life and fully creating supply service conditions as the anti-Japanese guerrillas did.

Comrade Kim Chong-il said with pleasure that the lifetime desire of the great leader [suryongnim] has now been achieved. The great leader [suryongnim] dedicated all efforts and energy so that soldiers, who live in mountainous areas with unfavorable natural and weather conditions, can eat fresh vegetables in all seasons. Comrade Kim Chong-il emphasized that our People's Army soldiers should deeply cherish in their hearts forever boundless love and benevolence extended by the fatherly leader.

Comrade Kim Chong-il said that since the People's Army fighters, who are reliably defending the security of the fatherland and people with arms, are valuable wealth of the country, all the commanding officers should always pay primary attention to their life.

Comrade Kim Chong-il noted that experience of the unit shows that if all the commanding officers strive for the soldiers' life with a sense of love of soldiers and with the attitude of being their real parents and brothers, there will be no problem that cannot be resolved. He pointed out that the commanding officers should always pay attention to and look after the fighters' living so that their inconveniences, even a slight degree, be eliminated.

Comrade Kim Chong-il said that the utility rate of the unit's greenhouses should be further increased to produce large quantities of vegetables the servicemen like to eat, and at the same time, nutritious and high-yield varieties of mushrooms should be cultivated on a large scale.

Seeing the fertile fields cultivated by the unit's servicemen after removing stones from the river-bank, Comrade Kim Chong-il said it is the revolutionary spirit of the KPA soldiers to fulfill whatever tasks the party gives. He said that the fighting spirit of our servicemen unfailingly faithful to the party and the revolution is very admirable.

Pointing out that providing the servicemen with better living conditions is one of important undertakings for steadily increasing the unit's combat power, Comrade Kim Chong-il specified important tasks to further improve the supply service for the soldiers.

Comrade Kim Chong-il had a photograph taken with officers and men of the unit.

All soldiers of the unit could not repress the sense of appreciation to the respected and beloved comrade supreme commander, who visited even guardposts in a deep mountain and warmly looked after their life with parental love and benevolence. They were filled with a resolute determination to defend with their lives the nerve center of our revolution [uri hyongmyongui sunoebu] by increasing the unit's combat power in every way and to accomplish the chuche revolutionary cause to the end.

DPRK: Kim Chong-il Thanks Officials, Workers for Help to Army

SK2506035496 Pyongyang KCNA in English 0311 GMT 25 Jun 96

[FBIS Transcribed Text] Pyongyang, June 25 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to officials and working people of different units including the Nangnang District, Pyongyang, party committee and the Administrative and Economic Committee, the Iwon County Party Committee and the Administrative and Economic Committee in South Hamgyong Province, the library of Kim Hyong-chik University of Education and the Mangyongdae district, Pyongyang, direct sale shop for setting examples in assisting the Korean People's Army.

DPRK: NODONG SINMUN Notes Reverence for Kim Il-Song, Kim Chong-il

SK2406084596 Pyongyang KCNA in English 0820 GMT 24 Jun 96

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — NODONG SINMUN today comes out with a political essay on the deep reverence of the Korean people for the great leader President Kim Il-song and the great leader Comrade Kim Chong-il.

The political essay titled "People Look Up To the Noble Features of Great Men" says:

The bright look of Korea, all the zeal and happiness of the people and the resourcefulness and dignity of the country praised unanimously by the world, are based on Comrade Kim Il-song's smile as bright as the sun.

Comrade Kim Il-song tirelessly and energetically pushed ahead with the revolution with love for the people and optimism about the revolution. Indeed, he is an outstanding leader of the working class and an elder of the world politics who performed undying exploits for the revolution and the times with a beaming face all his life. Even when he felt the bitterest sorrow in the world, he smiled the most bright smile for humankind. This shows his noble personality and greatness. His broad smile is far more valuable than a great amount of gold.

The look of Comrade Kim Il-song wearing a smile on his face is a distinguished symbol of the great father of the nation who devoted his whole life to the people and a brilliant appearance of the sun of chuche who created a new society of independence, a new era of independence.

Comrade Kim Il-song, who is beaming with a broad smile on his face, hoping for a bright future of the Kim Il-song nation, will always be with us.

The people confidently see the bright future of Korea and the happiness of their posterity in the bright smile of the respected General Kim Chong-il, who is identical to Comrade Kim Il-song in idea and trait, love and benevolence.

Once we see the smile of Comrade Kim Chong-il, our minds become as wide as the sea over which the sun rises and we have the boldness to carry out any enormous task and harden our determination to break through obstacles with smiling faces. His smile is an inseparable part of our most beautiful life as he leads us with the great magnanimous politics and with the firm trust in his comrades. His tears are as warm as his benevolent loving care for his men, who are moved by his great life. A bright future is always in store for our revolution because General Kim Chong-il is the master of leadership and creation who enforces a great politics always with a smile, full of confidence.

Our country is advancing under the guidance of General Kim Chong- il, an outstanding and able leader, and our people are creating the future of our country, which will strengthen and develop thanks to the bright smile of General Kim Chong-il, the great representative of the wisdom and might of the Kim Il-song nation.

The sun-like smile of Comrade Kim Il-song and Comrade Kim Chong- il is kept deep in our hearts as our soul and life, so we believe that Korea is sure to win, the essay stresses.

DPRK: Overseas Koreans, Foreigners Pay Homage to Kim Il-song

SK2306053796 Pyongyang KCNA in English 0509 GMT 23 Jun 96

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — Director of Nishiarai Hospital Kim Man-yu and his party and the visiting group of the War College of Nigeria headed by Commodore P.I. Eluma called at the statue of the great leader President Kim Il-song on Mansu Hill on Saturday [22 June].

They laid floral baskets and bouquets and made bows before the statue.

DPRK: Russia, Other Nations Commemorate Death of Kim Il-song

SK2406034796 Pyongyang KCNA in English 0337 GMT 24 Jun 96

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — A commemoration was held in Moscow on the evening of June 20 on the occasion of the second anniversary of the death of the great leader President Kim Il-song.

Aleksandr Kapto, doctor of philosophy of the Socio-Political Affairs Institute of the Academy of Sciences of Russia and former U.S.S.R. ambassador to the DPRK, noted in his opening speech that the sun-like bright image of the respected Comrade Kim Il-song, his great life, sacred exploits, boundless love for and devotion to the people are more vividly remembered day by day.

Referring to President Kim Il-song's brilliant life and immortal exploits, former Soviet Marshal Dmitriy Yazov said that the respected president is the symbol of the great pride of the Korean people as well as the world people.

Aleksandr Kovalyov, chairman of the Association of Scientists for the Study of Human Affairs in the Present World, stressed that the greatest exploit of President Kim Il-song is the creation of the chuche idea and his august name and cause will shine for all ages with the future of humankind.

A letter to the great leader Comrade Kim Chong-il was adopted at the commemoration.

Meanwhile, events marking the second anniversary of the death of President Kim Il-song were held in Matoto City, Guinea and Katmandu, Nepal with lawmakers, government officials and other people in attendance.

DPRK: Foreigners Lay Floral Baskets Before Kim Il-song Statue

SK2606070296 Pyongyang KCNA in English 0458 GMT 26 Jun 96

[FBIS Transcribed Text] Pyongyang, June 26 (KCNA) — The Malaysian Government technological and economic delegation led by Siti Zainab Dato' Sheikh Abu Bakar, deputy minister of primary industries, and Florencio Maye Ela, new Equatorial Guinean ambassador E.P. [extraordinary and plenipotentiary] to the DPRK, on June 25 laid floral baskets before the statue of the great leader President Kim Il-song on Mansu Hill.

They made bows before the statue with boundless respect and reverence for President Kim Il-song.

The head of the Malaysian delegation said the members of the delegation have deep reverence for the president and that President Kim Il-song was the most distinguished leader in the world.

DPRK: People Visit Mansudae as Death Anniversary Approaches

SK2606090796 Pyongyang KCNA in English 0823 GMT 26 Jun 96

[FBIS Transcribed Text] Pyongyang, June 26 (KCNA) — A larger number of people have been visiting the grand Mansudae monument with the approach of the second anniversary of the great leader President Kim Il-song's death.

The monument stands on Mansu Hill commanding a view of Pyongyang.

Erected in the centre of the monument was a statue of President Kim Il-song.

It fully reflects his distinguished intelligence of having a deep-going insight into the future of the revolution on the basis of the chuche idea, his organizing ability, immovable revolutionary principles, iron will, keen perspicacity, sound judgement, stubbornness, superb tactics, revolutionary sweep and noble popular traits.

The statue is flanked on either side by large group sculptures — monument to the anti-Japanese revolutionary struggle and monument to the socialist revolution and socialist construction.

The sculptures mirror the immortal feats performed by President Kim Il-song, who set out on the road of revolution in his early years, restored the country and established the glorious traditions of the revolution and, after the liberation of the country, guided the Korean people to build a powerful country of chuche and promote the final victory of the Korean and world revolution.

The Korean people erected the statue to celebrate his 60th birthday, April 15, 1972, with an unshakable faith and will and ardent desire to hold him, who was the first to be acclaimed by them as their great leader in their history spanning thousands of years, in high esteem for all ages and accomplish through generations the revolutionary cause of chuche started by him.

Since then, Mansu Hill has been visited by an endless stream of people in all seasons.

The people have climbed the hill day and night, in ordinary days and holidays, to pay their respect to the president, who had devoted his whole life to the people, without taking even a day of rest.

Let us accomplish the revolutionary cause of chuche under the guidance of the great leader Comrade Kim Chong-il, true to the behests of President Kim Il-song — this is what all the visitors resolve to do.

DPRK: Kim Yong-nam Meets New Equatorial Guinean Ambassador

SK2606092196 Pyongyang KCNA in English
0856 GMT 26 Jun 96

[FBIS Transcribed Text] Pyongyang, June 26 (KCNA) — Kim Yong- nam, vice-premier and foreign minister, on June 26 met and had a conversation with Florencio Maye Ela, newly appointed Equatorial Guinean Ambassador E.P. [extraordinary plenipotentiary] to the DPRK, when the latter paid a courtesy call on him.

DPRK: WPK Central Committee Sends Congratulations to Marchers

SK2306052896 Pyongyang KCNA in English
0515 GMT 23 Jun 96

[FBIS Transcribed Text] Pyongyang, June 23 (KCNA) — The Workers' Party of Korea [WPK] Central Committee sent a congratulatory message to the young people and school children who are making a study march to the native home of the great leader Comrade Kim Chong-il at the Mt. Paektu secret camp 40 years since he pioneered the route of study marches to the Mt. Paektu revolutionary battle field.

The message was conveyed with due ceremony in front of the native home of Comrade Kim Chong-il on June 21.

The old battle field is a historic land associated with the precious revolutionary exploits the great leader President Kim Il- song performed when he started the chuche revolution, led it to victory and achieved the independence of Korea. This is also a holy land of revolution where Comrade Kim Chong-il was born and spent his childhood.

The congratulatory message says the study march of the young people and children to the Mt. Paektu revolutionary battle field is of great importance in learning President Kim Il-song's revolutionary ideas and enduring feats and fully preparing themselves to be true youth vanguards and children's guards to defend the respected General Kim Chong-il with their lives in the same spirit as the anti-Japanese revolutionary forerunners displayed in defending their leader and during the "arduous march."

Comrade Kim Chong-il made a historic study march to the revolutionary battle field in the Pochonbo-Samjiyon area at the head of a study march group in June 1956. Thus, he pioneered the route of study marches to the Mt. Paektu revolutionary battle field and wisely guided the battle field to turn into a dependable centre of education in the glorious revolutionary traditions and a grand open- air museum.

The congratulatory message expressed the belief that the youth league organisations and the young people and children would venerate President Kim Il-song as the sun of chuche for all ages, carry forward the glorious revolutionary traditions, holding high the chuche torchlight provided by Comrade Kim Chong-il and creditably discharge their honorable mission and duty in the worthwhile efforts to accomplish the chuche revolution.

Those who spoke at the ceremony said they would grow stoutly as the reserves of revolution responsible for the future of the country and the motherland and fulfill the tasks set out in the congratulatory message to the letter.

A letter of pledge to Comrade Kim Chong-il was adopted at the ceremony.

DPRK: WPK Sends Condolences on Papandreou's Death

SK2606085096 Pyongyang KCNA in English
0818 GMT 26 Jun 96

[FBIS Transcribed Text] Pyongyang, June 26 (KCNA) — The Workers' Party of Korea [WPK] Central Committee sent a message of condolence to the Central Committee of the Panhellenic Socialist Movement [PSM] on the death of Andreas Papandreou, president of its Central Committee.

The message said that the WPK Central Committee, upon hearing the sad news that Andreas Papandreou died of disease, expresses deep condolences to the Central Committee of the PSM and the entire members of the movement and the bereaved family of the deceased.

DPRK: Foreigners Visit, Praise Dam Project on West Coast

SK2406085496 Pyongyang KCNA in English
0828 GMT 24 Jun 96

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — Many foreigners have visited the West Sea [Yellow Sea] barrage in the DPRK for the last ten years since its completion in June, 1986. Following are excerpts from their impressions.

Head of a Tanzanian Government delegation Joseph Rwegasira said that the barrage vividly shows the ability and wisdom of the Korean people displayed under the wise leadership of the great leader President Kim Il-song and the Workers' Party of Korea and demonstrates its unique design and construction method.

Qayyum Nizami, political advisor to the chairperson of the People's Party of Pakistan, noted that to build a dyke across the sea and use the water for agriculture and industry is a great miracle and Comrade Kim Il-song gave this wonderful edifice to the Korean nation.

Claudio Campos, secretary general of the Central Committee of the October 8 Revolutionary Movement of Brazil, said that the West Sea barrage is not a creation by physical strength, but a grand monument to ideological and mental wealth built by a great ideology and leadership and unrivalled heroism.

O. Shenin, chairman of the Council of the Union of Communist Parties-the Communist Party of the Soviet Union, wrote in the visitor's book that the miraculous building of this world-famous edifice in a short span of time is attributable to the powerful self-reliant national economy and solid material foundation of Korea.

DPRK: Dam Project Brings Benefits to West Coast

SK2406083296 Pyongyang KCNA in English 0809 GMT 24 Jun 96

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — Ten years has passed since a barrage was built in an eight-kilometre sector in the west sea of Korea.

Over the past decade the grand monumental edifice of the Workers' Party era has greatly contributed to the development of the national economy and to the people's living.

Streams from the barrage have watered several hundred thousand hectares of arable land in South Pyongan Province, Pyongyang and Nampo municipalities and North and South Hwanghae Provinces.

The barrage has also supplied 800 million tons of industrial and drinking water to many industrial establishments and dwelling houses.

In the period some 126,300 big and small ships have passed its lockgates, increasing freight transport considerably.

The barrage has played an important role in preventing floods.

Last year when river Taedong rose by an unprecedented flood, the barrage controlled some 12 billion tons of water, or 5.1 times more than in other years.

Since the west sea barrage was constructed, ring-shaped railways linking Pyongyang, North and South Hwanghae Provinces and Nampo have appeared and a more than 670-kilometre waterway opened in Taedong and Chaeryong rivers.

DPRK: Ten-Year Anniversary of West Sea Dam Marked

SK2506035996 Pyongyang KCNA in English 0317 GMT 25 Jun 96

[FBIS Transcribed Text] Pyongyang, June 25 (KCNA) — Ten years have passed since a barrage was built across an eight-kilometre sector in the West Sea of Korea [Yellow Sea] as a monumental edifice according to the grand nature transformation plan of the great leader President Kim Il-song.

President Kim Il-song on May 22, 1981 went aboard a ship at an old age to select the place for the West Sea Barrage.

In five years from then, soldiers of the People's Army completed the barrage thanks to the bold and big operations of the respected Comrade Kim Chong-il.

A meeting was held to mark the 10th anniversary of the completion of the West Sea Barrage on Monday.

A congratulatory message of the Workers' Party of Korea [WPK] Central Committee was conveyed to the workers and officials of the barrage station at the meeting.

The message noted that the barrage is a grand edifice built across the sea by the People's Army soldiers and working people in the revolutionary spirit of self-reliance and hard struggle, upholding the grand nature transformation plan of the great leaders Comrade Kim Il-song and Comrade Kim Chong-il.

The barrage has played an important role in watering several hundred thousand hectares of arable land in the basin of the Taedong River, South and North Hwanghae Provinces, and in preventing floods and developing the marine transport for the last ten years, the message said, and continued:

Workers and officials of the barrage station have achieved a great success in the management and operation of the barrage.

The WPK Central Committee highly praises the achievements of the workers and officials in the struggle to carry out the chuche marine transport policy of the WPK.

A report and speeches were made before a letter of pledge to Comrade Kim Chong-il was adopted at the meeting.

DPRK: Farmers in Flood-Stricken Area Discuss Weeding

SK2606095996 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 20 Jun 96

[FBIS Translated Text] Agricultural workers at the (Yecho) cooperative farm in Sinuiju, which suffered damage due to an unprecedented flood in August 1995, have completely removed the traces of the flood damage thanks to the respected and beloved general's great love and benevolence. They are now vigorously accelerating weeding on wet rice and dry corn fields.

Station reporter Kim Tok-san met with Kong Yong-ho, chairman of the management committee of the (Yecho) cooperative farm in Sinuiju, and Choe Kun-suk, head of a sub-workteam in the farm.

[Begin recording] [Kim Tok-san] I see the crops in the rice and corn fields are in good condition.

[Kong Yong-ho] Yes, as you see, the rice and corn is in good condition.

[Kim] These fields were precisely the ones that flooded last August, were they not?

[Kong] That is right. The whole area of our islet was completely damaged due to the unprecedented flood last August. Frankly, at that time we thought it was hopeless. However, our general assisted us. He has built houses for us. Encouraged by this, residents on our islet removed all traces of the flood damage and rose up as one with the determination to do this year's farming properly. So, they transplanted rice in a timely manner and are now investing all efforts in cultivating crops, including weeding wet rice and dry corn fields. After finishing [word indistinct] on corn fields they are accelerating weeding everyday on large areas of corn fields.

In particular, members of the third workteam of the cooperative farm did this year's rice transplanting well and are properly weeding corn fields.

[Kim] Comrade Choe, head of a sub-workteam: We have heard the good news that you and all of your families have risen up to do this year's farming properly.

[Choe Kun-suk] We do not feel our work is laborious. We have not done much work for the country. Also, we have not offered any joy to the respected and beloved general by doing good farm work. Thus, we have lived with a sense of sin toward him. Nevertheless, the respected and beloved general saved us from death at the time of last year's flood, and he has led us to work without worries as we see today. Indeed, how can we forget the benevolence of the respected and beloved general? Thus, we have risen up as one to repay the respected and beloved general's benevolence with (?loyalty).

Our sub-workteam has finished the first round of weeding of corn fields and is fulfilling everyday's quota now by accelerating the second round of weeding. With this spirit we will properly cultivate all crops according to the demands of the chuche-oriented farm method to achieve, without fail, a bumper crop this year. Thus, we will repay with loyalty the love and consideration the respected and beloved general extended to the residents of our islet. [end recording]

DPRK: Yoltusamcholli Plain 'Granary' Situation Reported

SK2506091796 Pyongyang KCNA in English 0837 GMT 25 Jun 96

[FBIS Transcribed Text] Pyongyang, June 25 (KCNA) — Weeding of rice paddies is now in full swing on the Yoltusamcholli plain, a granary in the western part of Korea.

The farmers of the plain have finished rice-transplanting timely in a qualitative way with water from Pyongnam irrigation canals.

The Pyongnam irrigation waters the plain involving Sukchon, Mundok and Pyongwon counties and Anju city, South Pyongan Province.

The irrigation, which extends 2,200 kilometres from Lake Yonpung, supplies water to 100,000 hectares of arable land.

Before the appearance of the irrigation network, the farmers had suffered from the lack of water. So, their greatest desire was to have the water problem solved.

Their desire was met by the great leader President Kim Il-song.

After the liberation of the country, he, busy as he was with the party, state and army building, initiated the Pyongnam irrigation project for the Yoltusamcholli plain and wisely directed the project.

The project had been temporarily suspended during the war (June 1950-July 1953).

After the ceasefire, the large-scale project was completed successfully in May 1956 with the help of all people throughout the country.

Since the project was carried out, the plain has turned into a granary, benefiting from the irrigation.

The grain output of the plain has increased more than eight times.

Over the past four decades 15,500 million tons of water has been drawn into the plain through the ramified network of irrigation canals.

Today the country is covered with 40,000-odd-kilometre-long waterways including Pyongnam, Kiyang and Ojidon irrigation canals.

DPRK: Meeting Commemmorates 50th Anniversary of Labor Law

SK2406104996 Pyongyang KCNA in English 1027 GMT 24 Jun 96

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — A national meeting to mark the 50th anniversary of the promulgation of the historic labour law by the great leader President Kim Il-song was held here today.

The meeting was attended by Vice-President Yi Chong-ok and Secretary of the Workers' Party of Korea [WPK] Central Committee Han Song-yong, who are Politburo members of the C.C. [Central Committee], WPK, and other senior party and government officials.

President Kim Il-song promulgated the historic labour law on June 24, 1946 on the basis of the democratic labour program and brilliant traditions in solving labour problems achieved during the anti-Japanese armed struggle.

A report was delivered by Choe Yong-nim, alternate Politburo member of the WPK Central Committee and vice-premier of the Administration Council.

The reporter said:

With the labour law enacted and put into force, the most democratic and popular labor system ever in the history of Korea was established and 8-hour workday, impartial wages and paid leave systems were built for all workers, so that a fundamental change was effected in their labor.

Comrade Kim Il-song wisely led the struggle to solve the labour problem in a correct way in each period of the development of revolution, while consolidating and developing the successes scored in enforcing the labour law.

Korea's socialist labor system provided by Comrade Kim Il-song has developed onto a new higher stage thanks to the outstanding and seasoned leadership of the respected Comrade Kim Chong-il. Its advantages and vitality have been brought into full play in the historic onward movement for modelling the whole society on the chuche idea.

The great leader Comrade Kim Chong-il, who considers the working class to be the master of the country and leading class of the revolution and places them in the spotlight, has seen that all policies of the party and the state serve the interests of the working class, saying our society belongs to the working class, and has shown great love and solicitude for all working people so that they can lead an independent and creative working life to their hearts' content.

In man-centred Korean socialism — the embodiment of the great chuche idea — the dignity and prestige of people are not defined by money and assets but by assiduous labour.

Through the struggle for establishing the chuche-based outlook on labour, a bigger change has been effected in the ideological and mental traits and working life of the Korean people.

Now the Korean working people, on the collectivist principle "one for all, all for one", are faithfully taking part in social labour, helping and leading each other. And they give full play to the revolutionary habit of work and communist virtues. They volunteer to work in difficult and hard domains in order to honour their ideal and lead a worthwhile life.

Through the voluntary labour activities for the fatherland and the people, society and the collective, monumental edifices of the time spring up one after another, the country has been taking on a new look and the number of labour heroes and heroines, labour innovators, unassuming people of meritorious services is on the steady increase. This reality vividly represents the genuine advantages and vitality of Korea's socialist labour system.

All members of the society devotedly work with intense loyalty to the party and the leader and with the consciousness of being masters of the revolution. The whole society forms a big harmonious family and the singlehearted unity of the revolutionary ranks are further consolidated as firm as rock in the course of worthwhile labour activities for society and the collective; this is the most precious success achieved in the struggle for finding a correct solution to the labour problem under the wise leadership of Comrade Kim Il-song and the respected General Kim Chong-il. Herein lies a solid guarantee for hastening the socialist cause of chuche at an accelerated pace.

Stressing that to further cement and give full play to the socialist working system in keeping with the requirements of the developing situation is an important demand arising in resolutely safeguarding the man-centred Korean-style socialism and carrying to accomplishment the socialist cause of chuche, the reporter outlined the tasks.

DPRK: Labor Laws Guarantee 'Happy Working Life' of Citizens

SK2406085196 Pyongyang KCNA in English 0825 GMT 24 Jun 96

[FBIS Transcribed Text] Pyongyang, June 24 (KCNA) — The Korean working people have genuine rights to work and lead an independent, creative working life, responsible for the building of a new society.

Over the past five decades since the great leader President Kim Il-song enacted the labor law on June 24, 1946, a radical turn has been effected in their working life.

The changes of the Pyongyang silk mill located near River Taedong in the capital city of Pyongyang are enough to show the Korean workers' miserable life in the past and their present happy life.

The mill had been called a prison until the country was liberated from the Japanese imperialist colonial rule on August 15, 1945. It had been equipped with no elementary safety facilities and working conditions for the workers. Its female workers were maltreated as "tools", forced to work 12-16 hours a day, 24 hours sometimes. Many of them were crippled or lost their lives from accidents. But they had nobody to appeal to for their miserable fate.

Today the mill has been equipped with modern safety facilities and working conditions, a sanatorium, a clinic, a house of culture and cultural and welfare establishments.

The workers of the mill are living an emotional, cultured life with work, study and rest combined with each other in a proper way. Like all the working people of the country, they benefit from an eight-hour work, paid leave, accommodation at Sanatoria and holiday homes at state expense, social security system and distribution in a fair socialist way according to the quality and quantity of work done.

The female workers receive a paid maternity leave as well as regular and additional leaves.

Women with more than three children work six hours a day, but are paid for an eight-hour work.

The happy working life of the Korean people, who have no worries about unemployment, has been guaranteed by the socialist labor law proclaimed in April 1978.

South Korea

ROK: Seoul in 'Awkward Position' on U.S.-Butrus-Ghali Conflict

SK2606024096 (Internet) The Digital Chosun Ilbo WWW in English 1206 GMT 26 Jun 96

[Unattributed article: "Vote for Ghali or Vote for America?"]

[FBIS Transcribed Text] Butrus-Ghali is running for a second term as secretary-general to the United Nations. America does not support his re-election however and is actively soliciting votes against from other UN states.

Butrus-Ghali, formerly a high ranking public servant in Egypt, is regarded as pro-Korean and he has demonstrated a position of non- alignment since taking up office. This puts Korea is an awkward position as it would be hesitant to vote at odds to the U.S.

Korea hopes to remain quiet on the issue before campaigns for the position of secretary-general go into full-swing in September. However, it is likely that other nations will call on Korea to reveal its position as a pre-requisite to election to the post is the obtention of support from each of the five permanent member nations of the UN Security Council as well as the support of at least 4 of the 10 non-permanent member Security Council director states, of which Korea is one.

ROK: U.S. Commerce Secretary Kantor Cited on Fair Trade

SK2506073796 Seoul YONHAP in English 0602 GMT 25 Jun 96

[FBIS Transcribed Text] Seoul, June 25 (YONHAP) — U.S. Commerce Secretary Mickey Kantor called Monday for a fair trading environment in the Korean market for U.S. cars.

"Let us be clear, we are not seeking market dominance, have not sought market privileges and will not seek specific numerical targets in the Korean market," he said. "What we expect is reasonable market access reciprocity, a fair trading environment and an appropriate niche for U.S. automobiles."

Kantor was speaking at a reception showcasing the U.S. auto industry at the official residence of U.S. Ambassador to South Korea, James Laney. Leading figures from both Korean and U.S. business circles here came to see various models of Chrysler, Ford and General Motors on display.

In spite of various market impediments, the Korean market has "exhibited interest and enthusiasm for American and other imported cars," the official noted.

"Clearly, I believe that the Korean consumer will be excited about the safety, quality and variety offered by our big three auto companies."

The former U.S. trade representative also emphasized the strength of Korean-U.S. relations, saying that their "vibrant commercial partnership" is testament to the relationship.

"By expanding that partnership to include automotive trade, we now add a dynamic new dimension," Kantor said. "Although more remains to be done, I know our two sides will continue to work together to achieve further progress."

ROK: Kantor Meets Construction, Trade, Communications Ministers

SK2606032696 Seoul YONHAP in English 0248 GMT 26 Jun 96

[FBIS Transcribed Text] Seoul, June 26 (YONHAP) — U.S. Commerce Secretary Mickey Kantor has asked the Korean Government to allow U.S. products and services wider access to the Korean market, including U.S. participation in the new Inchon International Airport.

The former U.S. trade representative, who recently assumed his current cabinet post, arrived in Seoul Tuesday for a two-day visit. He met with three Korean economic ministers Tuesday to discuss U.S. requests for the Korean government.

In his meeting with Construction and Transportation Minister Chu Kyong-sok, Kantor asked that Korea's construction market be opened further and specified the projects U.S. firms are interested in.

He mentioned the new international airport, an LNG terminal in Inchon, and combined power and heat generation facilities during the meeting. He said American firms ought to be able to participate in the open bid process for these projects.

Kantor also hoped that U.S. construction supervisors would be able to provide more assistance in the airport construction and high-speed railroad projects, according to Korean officials who attended meetings with the U.S. officials.

The U.S. commerce secretary, while promising U.S. support for Korea's bid for Organization for Economic Cooperation and Development (OECD) membership, called for the further opening of Korean financial and insurance markets, and better protection of U.S. intellectual property rights, including software for computers and trademarks. He mentioned the Mickey Mouse trademark as a case in point.

In a meeting with Trade, Industry and Energy Minister Pak Chae- yun at his office in Kwachon, South of Seoul, the U.S. official also requested that Korea not raise taxes on sport- utility vehicles.

His list of demands for the Seoul government, also, included a request that Korea open its farm produce markets wider to foreign products.

Minister Pak, in turn, asked for the withdrawal of U.S. dumping charges against color TVs shipped to the United States by Samsung Electronics Co.

The Korean trade minister said the United States should provide sufficient compensation for the losses expected in Korean textile exports that will result from the new country of origin rules on textile products that will take effect in America next month.

Pak, pointing to the excessively long and complicated U.S. commercial visa issuance procedures for Korean businessmen visiting the United States, stressed the need for the two countries to sign a visa waiver agreement in the near future, according to Korean officials who attended the meeting with Kantor.

Kantor told Korean Information and Communication Minister Yi Sok- chae that Korea should join the Information Technology Agreement (ITA), a four-way accord between the United States, Japan, Canada, and the European Union, designed to remove import duties on telecom- industry goods among signatory countries.

Kantor also urged Yi to provide U.S. telecom equipment manufacturers with easier access to the Korean telecom equipment market.

Minister Yi said, "Basically, the United States and Korea have the same goal as far as market liberalization is concerned, the only differences have to do with timing and speed."

He proposed a regular meeting between Korean and U.S. telecom firms and pointed out that the government is not in a position to interfere with the private sector procurement process.

ROK: Kantor Discusses Auto Market, OECD, Telecommunications

SK2606045996 Seoul YONHAP in English 0434 GMT 26 Jun 96

[FBIS Transcribed Text] Seoul, June 26 (YONHAP) — U.S. Commerce Secretary Mickey Kantor called on South Korea Wednesday to further open its auto market to U.S. imports, saying it was "the most closed automobile market in all of the developed world."

"We need to make sure that the Korean market is opened to U.S. auto products," he said, pointing out that 191,000 Korean cars were exported to the United States last year, but only about 6,000 U.S. cars were shipped here.

Further opening of the Korean auto market would benefit Korean consumers, lower prices, raise the competitiveness and innovativeness of Korean auto firms and assure a "level playing field" in trade between the two countries, he added.

The top U.S. trade official was speaking to reporters at the World Trade Center just before departing for Indonesia on the second leg of his Asian business tour.

"The U.S. Government is not looking for any particular percentage of market share," he said. "What we want to do is to be able to compete fairly and with no restrictions in the Korean market as Korean automobiles are allowed to participate in the U.S. market."

The United States "staunchly and strongly" supports South Korea's bid to join the Organization for Economic Cooperation and Development (OECD) this year, he said, but noted that the OECD's six committees have raised questions about Korea's proposed entry regarding intellectual property rights protection, environmental concerns and labor issues.

Only one committee thus far has reported favorably on Korea's application, he added.

"We hope and trust that Korea can meet the concerns of the other committees of the OECD and be able to convince all the members of the organization that Korea's entry would be in the best interest of Korea and the OECD."

He also gave high marks to Sinsegi Telecom, a joint Korean- American venture which he toured earlier that morning, saying that the number of its subscribers would leap from 20,000 now to 2 million by 2000.

In his conversations with various government ministers here, Kantor said, he emphasized continuing commercial ties, saying they were "intertwined" with political ties, and further market reforms for automobiles, telecommunications and the protection of intellectual property.

Korean-U.S. relations have "never been stronger, more viable in the all areas of concern — political, strategic and economic — and we will continue to strengthen this relationship and work with our Korean counterparts," he said.

Kantor expressed particular concern on the proposed tax here on sport-utility vehicles, saying that it would violate the auto agreement signed by the two sides last year.

Washington is also exploring an "open-skies" agreement with South Korea and other nations in Asia in the interest of trade in the Pacific region, he noted, and will work with members of the Asia- Pacific Economic Cooperation and the World Trade Organization to reach an agreement on removing all tariffs on high-tech telecommunication products by 2000.

ROK: Kantor's Designation of Hotel as Talks Venue Viewed

SK2606062996 Seoul KYONGHYANG SINMUN in Korean 26 Jun 96 p 23

[Report by Im Un-sun]

[FBIS Translated Text] The process of "talks [myondam] between cabinet members" of our country and U.S. Secretary of Commerce Mickey Kantor and his entourage has been criticized as being "like one-way traffic." Secretary Kantor and his entourage arrived in the ROK early in the morning on 25 June to pressure for the opening of the ROK markets.

Secretary Kantor chose a hotel in downtown Seoul as the venue for talks with Pak Chae-yun, Minister of Trade, Industry and Energy, and Chu Kyong-sok, Minister of Construction and Transportation, to discuss trade issues between the ROK and the United States, including the opening of ROK markets, instead of government office building No.2 in Kwachon where these ministers' offices are located.

In particular, U.S. Embassy officials went against the wishes of working-level officials in the Ministry of Construction and Transportation to designate the Orchid Room on the 23d floor of the Shilla Hotel in Seoul as the venue for talks with Minister Chu on the pretext of Secretary Kantor's tight schedule.

In view of Minister Chu's agenda that day, working-level officials at the Ministry of Construction and Transportation finalized their position that "Minister Chu's foray downtown to meet Secretary Kantor, instead of Secretary Kantor visiting the Kwachon government building, is difficult."

U.S. Embassy officials also opted for the Royal Suite Room at the Lotte Hotel in downtown Seoul as the venue for talks with Minister of Trade, Industry, and Energy Pak Chae-yun, instead of the Kwachon government building, again under the pretext of Secretary Kantor's tight schedule.

Because of this, high-ranking officials like Yi Hon-sok, senior policymaker at the Ministry of Construction and Transportation, and officials at the Ministry of Trade, Industry, and Energy, who were to attend the talks together with their ministers, had to rush downtown en masse with bundles of papers.

Only Minister of Information and Communication Yi Sok-chae, whose office located in the downtown area, was able to insist that the venue for talks with Secretary Kantor be held at his ministry, instead of the Hyatt Hotel as initially proposed by the U.S. side, and thus he met with Secretary Kantor and his entourage at his ministry.

With the format skewed, officials at the Ministry of Construction and Transportation changed the title of the meeting, from "reception [chopkyon]" to "talks [myondam]". Concerning the foray of the two ministers to hotels in the downtown area for talks, officials at these ministries did not conceal their sense of displeasure, claiming that "in a word, it is an affront to our dignity." "Secretary Kantor and his entourage appear to be calling our ministers into the downtown area to apply pressure."

A high-ranking official at the Ministry of Construction and Transportation came up with the excuse that, "the minister had other business he had to take care of in the downtown area." On the other hand, a working-level official revealed that "because of the request from the U.S. Embassy and from the Ministry of Trade, Industry and Energy, we had to change the venue for the talks."

ROK Article Discusses Significance of Kantor's ROK Visit

SK2606061096 Seoul TONG-A ILBO in Korean 26 Jun 96 p 5

[Article by Cho Hon-chu and Ho Sung-ho: "The Significance of U.S. Secretary of Commerce Kantor's Visit to the ROK"]

[FBIS Translated Text] It is of various significance that U.S. Secretary of Commerce Mickey Kantor chose the ROK as his first overseas visit since he assumed office.

Kantor, who is on a tour of three Asian countries, will visit Indonesia and Thailand, following his visit to the ROK. His itinerary symbolically reflects how much interests the United States has in the Asian region that has risen as a "newly-emerging huge market."

This is providing an advance warning of the high waves of trade pressure that the United States will exert on Asia, including the ROK.

Secretary Kantor is a long friend of U.S. President Clinton as well as an influential person within the U.S. Administration. Before becoming the U.S. secretary of commerce, he served as the U.S. trade representative, a position which is known as a synonym for 'trade pressure'.

Experts analyze that "Secretary Kantor especially has keen interest in South Korea's construction, telecommunications, automobile markets."

This can be well seen from his series of meetings with President Kim Yong-sam; Pak Chae-yun, minister of trade, industry, and energy; Yi Sok-chae, minister of information and communication; and Chu Kyong-sok, minister of construction and transportation.

Answering to a reporter's question on "what was mainly discussed at his 25 June meeting with President Kim," Secretary Kantor said the issues concerning "U.S. companies' increased share in the construction of an international airport on Yongjong Island and ways to expand bilateral economic cooperation" were discussed, indicating that the United States will apply drastic pressure to open up the market of large-scale social infrastructure projects.

He also demanded wider market openings of automobiles, construction, telecommunications, and agricultural products.

Amid his busy schedule, he attended a "motor show" held at the U.S. ambassador's residence on 25 June and promoted sales for U.S. automobiles, displaying his feature as "a dealer."

At that day's event, Kantor was scheduled to deliver a speech from a note that was prepared earlier. The speech reportedly included the content expressing satisfaction over South Korea's efforts to open up the automobile market and also had an expression that "what the United States wants is neither the monopoly of the market, special treatment, nor the realization of numerical goals for special fields; what it wants is to allow U.S. auto companies unlimited market access on a mutual, reciprocal basis." However, Secretary Kantor totally ignored this.

Instead, he boasted of U.S. cars as being "the world's most competitive car," and stated that "strengthening economic cooperation between the United States and the ROK will lay a foundation for strengthened political cooperation." This reminded us of the theory of pressure that "without the opening of South Korean market, there is no cooperation between the two countries."

Pertinent government officials said earlier that "since Kantor is visiting the ROK in his capacity as secretary, he is expected to make only principled remarks regarding the market opening." Not taking his visit seriously, they suffered a blow from Kantor.

ROK Daily Notes U.S. Delays Revision of SOFA

SK2506083296 Seoul HANGUK ILBO in Korean 25 Jun 96 p 1

[Report by Chang In-chol]

[FBIS Translated Text] The ROK-U.S. negotiations on revising the Status of Forces Agreement [SOFA] have been delayed due to the United States.

It was learned on 24 June that the U.S. Department of Defense had recently informed the ROK that the visit to the ROK by Undersecretary of Defense Walter Slocombe had been canceled. He was originally scheduled to visit the ROK, carrying the final SOFA revision proposal, on his way to China on 28 June. As a result, the bilateral SOFA consultations are expected to be held in the fall at the earliest, considering the summer recess in the United States.

The ROK Government presented its final draft plan to the working- level negotiations in Washington last March. It planned to obtain the final U.S. proposal and eventually conclude the negotiations based on the proposal.

However, on the grounds that its "examination of the ROK plan is under way," the United States had told the ROK it would give its reply in mid-April. It then postponed the reply until early May, and then again until late June. The United States has canceled Slocombe's visit to the ROK this time.

An ROK Government official has said: "The United States informed the ROK last weekend that Undersecretary Slocombe cannot visit the ROK at this time because of his schedule to visit Bosnia and other places." He also said that "no other plan has been mapped out at present."

In the meantime, James Laney, the U.S. ambassador to the ROK, said that the "SOFA negotiations would be concluded before the 15th ROK National Assembly opens in early June."

ROK: Plan To Give DPRK Students Science Training in U.S. Viewed

SK2606022896 Seoul MAEIL KYONGJE SINMUN in Korean 25 Jun 96 p 1

[By reporter Yi Won-chong]

[FBIS Translated Text] The Association of Korean Scientists and Technicians in the United States is promoting a program to train North Korean college students at U.S. universities. This draws public attention in connection with moves to improve U.S.-DPRK relations. The program will likely begin next year with some 10 North Korean students majoring in agriculture and life sciences.

Yu Tu-yong, chairman of the Association of Korean Scientific Technicians and a professor at the University of California who is participating in an academic symposium of Korean scientific technicians in the world, said on 23 June, "The U.S. State Department's promotion of a training program for North Korean students has proceeded rapidly, and the program will be implemented in the near future."

Chairman Yu added, "It has been learned that the program will highly likely be carried out from next year, because Director Ian Patterson [name as transliterated] of the U.S. State Department, who is in charge of the program, shows a very active attitude."

Chairman Yu predicted that the training of North Korean students will begin with some 10 students majoring in fields related to agriculture and life sciences.

According to him, for the program to train North Korean students in the United States, the promoter established the "ROK-U.S. Science and Technology Foundation" in January with about 1,000 Korean professors residing in the United States, and the foundation is now raising funds to operate the training program.

In particular, he stressed that the program is being promoted as a civilian project by Korean scientists in the United States, with no ties to the ROK Government. It is being promoted under the title of "a training program for next-generation scientific technicians of North Korea," one of the "scientific and technological projects with North Korea under the precondition of reunification of South and North Korea."

ROK: Auto Imports From U.S. Up 'Sharply'

SK2506073896 Seoul YONHAP in English 0540 GMT 25 Jun 96

[FBIS Transcribed Text] Seoul, June 25 (YONHAP) — U.S. auto exports to South Korea have increased sharply. The Korea Foreign Trade Association (KFTA) said Tuesday, citing "export-import statistics between January and April" compiled by the U.S. Commerce Department, America sold 65 million U.S. dollars worth of cars to Korea during the first four months of this year, a whopping 109.7 percent increase from 31 million dollars in the same period last year.

Passenger cars accounted for 47 million dollars in sales for the four-month period, up 80.8 percent from the year before.

The large increase has been attributed to consistent U.S. pressure on Korea to open its auto market and an active U.S. sales campaign by U.S. automakers involving a variety of models, KFTA explained.

KFTA predicts that U.S. pressure to open the market further will continue since there is a significant auto trade imbalance in Korea's favor despite the recent growth in U.S. auto imports.

Korea, meanwhile, has become the sixth largest importer of U.S. autos with 601 million dollars in sales between January and April of this year, following Canada, Japan, Mexico, Germany and Sweden, KFTA added.

ROK: Kim Awards Military Decoration to Outgoing USFK Commander

SK2606070096 Seoul YONHAP in English 0631 GMT 26 Jun 96

[FBIS Transcribed Text] Seoul, June 26 (YONHAP) — President Kim Yong-sam awarded a military decoration Wednesday to the outgoing commander of the United States Forces Korea (USFK), Gen. Gary Luck, at a Chongwadae [presidential offices] luncheon.

"Gen. Luck's adequate military measures and the continued reinforcement of the Combined Korean-American Forces made it possible to avert war," Kim noted, adding that the retiring four- star general saw the USFK through some of the most tense moments ever on the Korean peninsula.

Luck will officially relinquish his post on July 9 and will be succeeded by Gen. John Tilelli of the U.S. Army Forces Command.

The chief executive also commended Luck for restoring control of the peace-time operational control of the Korean armed forces back to South Korea, saying it opened a new chapter in the joint Korean-American defense system.

ROK: U.S. Reportedly Hopes To Form NE Asian Security Dialogue

SK2606023296 (Internet) The Digital Chosun Ilbo WWW in English 1210 GMT 25 Jun 96

[FBIS Transcribed Text] It was known Tuesday that the US is striving for the establishment of "North-East Asian Security Dialogue", a periodical negotiating body in which defense ministers of the various region states including North Korea will participate.

An official of the Foreign Ministry said that this policy is intended to seek and obtain clarity in a region where politics are vague and interactions unclear. It would operate also as a channel to facilitate the direct addressing of emergency situations such as those which exists in North Korea and tension between China and Taiwan, he said.

The U.S. contemplates the participation of five states, namely South and North Korea, Japan, Taiwan and China. South Korea has signalled its agreement in principle with the plan, but notified the U.S. that any discussion in respect of peace on the Peninsula should be excluded from the agenda of the organization.

The official said that Japan positively supports the plan, North Korea rejects the plan and that China is wavering due to the position of North Korea.

ROK: IAEA Delegation Arrival in Pyongyang Reported

SK2606072696 Seoul YONHAP in English 0707 GMT 26 Jun 96

[FBIS Transcribed Text] Seoul, June 26 (YONHAP) — An International Atomic Energy Agency (IAEA) delegation arrived in Pyongyang Tuesday to hold talks on issue of freezing North Korea's nuclear program in accordance with the 1994 framework agreement between the United States and North Korea, the (North) Korean Central News Agency (KCNA) reported.

A terse KCNA report, monitored here by NAEWOE press, acknowledged the arrival of the IAEA team, the fifth of its kind, but failed to mention the schedule or focus of the talks.

The delegation's tour of Pyongyang draws attention in that the IAEA announced last Friday that it would tighten safeguards in North Korea in the future, arguing that North Korea had failed to adhere completely to the nuclear safeguards accord.

The fourth IAEA inspection team visited Pyongyang in January and discussed the problem of monitoring the frozen nuclear facilities with related Pyongyang officials.

ROK: DPRK Extends Mourning Period for Kim Il-song to Jul '97

SK2606004696 Seoul YONHAP in English 0031 GMT 26 Jun 96

[FBIS Transcribed Text] Tokyo, June 26 (YONHAP) — North Korean leadership has decided to extend the "state mourning period" for Kim Il-song by one year until July of next year, the YOMIURI SHIMBUN reported Wednesday quoting a Beijing source involved in China-North Korea relations.

The decision makes it certain that Kim Chong-il will not assume the state presidency and general secretaryship of the ruling Workers' Party until some time after July of next year, the vernacular daily said.

The North's ambassador to China Chu Chang-chun, reflecting Pyongyang's official mourning period for Kim, said earlier that "the period will end this coming July 8."

The decision was made, the source was quoted as saying, "because there is a strong demand, in view of the people's unswerving reverence for Kim Il-song, that the mourning period be extended until the third anniversary of his death next year."

The actual reason for extending the mourning period, however, appears to be that the the appropriate atmosphere has not yet been created for the junior Kim's ascension to the state presidency because of the worst ever economic crisis facing North Korea, featuring food shortages and paralyzed production, the daily speculated.

ROK: Kim Yong-sam Says DPRK Military Recipient of ROK's Rice

SK2606060596 Seoul THE KOREA HERALD in English 25 Jun 96 p 1

[FBIS Transcribed Text] President Kim Yong-sam said yesterday most of the 150,000 tons of rice South Korea offered North Korea last year were used to feed the military.

It is the first time that the Seoul government has publicly confirmed whom the South Korean-provided rice benefited.

President Kim revealed the information during a visit to a front- line Army unit. He made the visit on the eve of the 46th anniversary of the outbreak of the Korean War.

Kim said that the food shortage in North Korea is so acute that even soldiers are not being fed adequately.

"Most of the 150,000 tons of rice we gave went to soldiers," Kim said.

Forbidding North Korea to divert international food aid to the military has been one of the major concerns of South Korea and other countries in providing assistance to Pyongyang.

South Korea recently committed $3 million to the United Nations and other international aid agencies to help relieve North Korea's food shortage problem.

The United States and Japan also pledged food aids worth $6.2 million and $6 million.

While calling for the international community to help North Korea avert a famine, the United Nations and other aid agencies had stressed "transparency" of the aid shipments in the North.

The aid providers want to send international inspectors to monitor the food distributions to ensure that they not be used to feed the military.

President Kim did not mention the monitoring of future aid shipments, but said that South Korea is the only nation in the world that can help North Korea avoid collapsing.

"But they do not realize this," he said, accusing North Korea of refusing inter-Korean talks and not making a formal response to the proposed four-way peace talks involving South Korea, the United States and China as well as the North.

"There are some prospects (for the four-party talks), but I would not talk about that here," Kim said.

ROK: Kwon O-ki Urges Groups To Follow Government's Aid Policy

SK2406112596 Seoul YONHAP in English 1122 GMT 24 Jun 96

[FBIS Transcribed Text] Seoul, June 24 (YONHAP) — Deputy Prime Minister Kwon O-ki on Monday urged those private organizations striving to furnish food assistance to North Korea to respect the government policy of allowing private assistance into the famine-threatened North only through the Korean National Red Cross (KNRC).

"In view of the current inter-Korean situation, orderly promotion of private assistance to the North through KNRC is most desirous and would best serve the improvement of South-North relations," Kwon who is concurrent national unification minister said.

He made the urging in an official message sent to a total of 57 private organizations including the pan-religious denominations committee for the promotion of assistance to North Korean flood victims.

Kwon said he was emphasizing the importance of the use of KNRC conduit all the more because the South and the North have already agreed to have their Red Cross societies take care of matters related to the relief of victims of a natural disaster that occurs in either side.

ROK Editorial Expresses 'Shock' at ROK Rice Going to DPRK Army

SK2606063596 (Internet) The Digital Chosun Ilbo WWW in English 1200 GMT 25 Jun 96

[Editorial: "North Military Uses Our Rice"]

[FBIS Transcribed Text] It comes as a great shock to hear from our President Kim Yong-sam that almost all of the 150,000 tons of rice donated by our country to the North was subsumed for military purposes. Further evidence of this fact are the testimonies and speculative remarks made by the defectors that have arrived in the South in recent days. Additionally, at the general elections held in Spring when the North was engaging in acts of provocation at Panmunjom, there was criticism by some opposition parties that the North is eating our rice and thereby nourishing and strengthening its army. Until now however we have regarded the veracity of such criticism and testimony with great scepticism.

It is only now that, one full year since we commenced sending rice to the North, that the President who has at his finger-tips the most thorough and reliable information about the North, has confirmed the truth to the rumours about military use of the rice. This matter must not be taken lightly. First, the government must fully realize the fundamental mistake in its method of dispensing rice aid to date. It should reprimand itself severely for blindly sending off ships laden with rice with undue haste. It must explain to the people exactly how these mistakes came about. It must also make demands on the North that it give a complete and precise explanation of what happened to the rice aid and why. Furthermore, we must all realize how mistakenly we have appraised those in the North who instead of assisting their starving brethren misused the aid of others displaying a complete absence of brotherly love and humanitarianism. We must stand up and ask to the rest of the world how we can possibly send rice to a country which exploits such kindness for its own military purposes.

Now that the President has confirmed that rice given to the North was converted for military use, private groups considering providing assistance packages to the North must ensure that they act ever so much more prudently. There is no assurance that the North will not repeat its previous behaviour in transferring the use of rice given by the South intended to assist flood victims to military ends, even though the rest of the world was looking on keenly, should these private groups provide aid packages. In the future, no aid of any nature should be provided to the North unless the need for the relevant food or material supplies is first confirmed with certainty and there is tangible and reliable proof that such aid will not be diverted from its intended recipients for military use.

We must exercise self-restraint in the wake of sentimental cries from within our society to help our Northern comrades in hell or high water in circumstances where the North says absolutely nothing about the fact that flood damage relief aid was diverted for military purposes. In addition we must pay some attention to the rumour that the North in imploring us to provide food and materials is simply trying to replenish military supplies which were stored underground and rotted due to last year's flood. We can put up with some discontentment if our unmarked rice is actually distributed to the starving and suffering in the North, however we cannot under any circumstances tolerate relief aid being used to nourish the army of a country whose soldiers aim gun barrels at us.

ROK Daily Questions Kim Yong-sam's Remarks on Rice Aid to DPRK

SK2606071796 Seoul HANGYORE SINMUN in Korean 26 Jun 96 p 3

[Editorial: "The President Must Speak Prudently"]

[FBIS Translated Text] Visits by a president to areas near the DMZ to encourage officers and soldiers, has become a custom. ROK President Kim Yong-sam visited the central section of the frontline and encouraged officers and soldiers who are carrying out their guard duties, the day before yesterday. While having dinner with the officers and soldiers, President Kim said that "soldiers took away almost all the 150,000 tonnes of rice which we gave to North Korea." He meant that the rice we sent was used as rice for the military.

We sent rice to North Korea last year to help alleviate the sufferings of our North Korean compatriots even a little. Therefore, we asked North Korea to evenly distribute the rice to hungry compatriots, and North Korea promised to comply with our request. If North Korea gave even a minimal amount of the rice to the military, this is a violation of its promise. If this is true, the North should not expect any more rice from South Korea.

However, we question whether the president has any clear evidence to that effect. We have not heard of any evidence, except for the unsubstantial testimony by Captain Yi Chol-su, who defected to South Korea aboard a MiG-19. The U.S. State Department's Agency for Foreign Aid once employed outside experts to closely examine North Korea's food problem and the issue of providing external grain assistance to the country. Their report notes that "North Korea has not given the grain provided by the international community to the military" (HANGYORE SINMUN 23 June). The president's remarks contradict this report.

A president must choose his words. We do not like to take issue with President Kim's remarks simply based on a foreign agency's report. Still, the president needs to produce data supporting his remarks, as well, to prove that he is not a person who makes unreliable remarks. We would like to add one more thing: We question whether it is all right for the president to personally make remarks that may significantly affect North-South relations during casual dialogue with officers and men.

No one will call for providing North Korea with grain just so that it will go to its military. However, North Korea rations its grain. It may have give some of the grain provided by the international community, to its military. If this possibility were entirely unacceptable, we should not have sent the 150,000-tonnes of rice to North Korea last year in the first place. We suspect that North Korea's food situation is so bad that it is having to feed its populace with the rice allocated for the military. If the president does not produce hard evidence, it is rather difficult for us to believe that North Korea gave the grain that was intended for its people, to its military.

ROK: Russian Customs Seizes $10,000 in Fake Bills at DPRK Border

SK2506130896 Seoul YONHAP in English 1223 GMT 25 Jun 96

[FBIS Transcribed Text] Tokyo, June 25 (YONHAP) — Bundles of American dollars a Russian trade firm employee had received from North Korea was found recently to contain 100 fake 100-dollar bills, the NHK-TV, quoting an Interfax article, reported Tuesday.

The report said that a Russian customs check of the money at a North Korea-Russia border town showed that 10,000 dollars out of the 199,000 dollars the Russian employee carried in his possession were counterfeit bills.

The Russian customs office refused to discuss details of the incident.

But, a source said the money was the price of a superannuated trawl boat which a Russian fishing firm in Nakhodka sold to North Korea's Cholsan Co. as scrap.

The bogus bills showed 1988 as the issuing year, the source said, adding that the fake money was seized by the Russian customs.

ROK: Defector Discusses DPRK Seven-Day Invasion Plan

SK2506034396 Seoul THE KOREA TIMES in English 25 Jun 96 p 6

[By T.C. Yi, Ph.D., "senior staff member at the Kim Tae-chung Peace Foundation," from the "Thoughts of the Times" column: "North Korea's Seven-Day Strategy"]

[FBIS Transcribed Text] On the 46th anniversary of the outbreak of the Korean War, the interesting question being asked is: If North Korea decides to attack again, how will it approach the task? The recent testimony by North Korean fighter pilot Capt. Yi Chol-su, who recently defected to the South, had it that Pyongyang at least entertains the spectacular thought of overrunning Seoul in "24 hours," reaching the Taejon Line (the site where General William F. Dean's hapless 24th Division was soundly defeated at the outset of the Korean War in 1950), and advancing to Pusan in seven days. Outclassed in the quality of weapons and strapped by widening economic difficulties and possible outbursts of popular discontent, the strategic choices of North Korea are severely limited. It cannot afford and must avoid an uncertain war of protracted attrition along the DMZ. Pyongyang's offensive must be unorthodox, swift, and crippling to deny the South time to reinforce its forces and to stabilize the fronts, and most of all to deprive the United States of time to bring in sizable forces from the Continental United States (CONUS). (It must not allow a repeat of the Gulf War scenario of allowing time for a heavy buildup.)

The narrow window for a decisive and relatively safe [preceding two words in italics] North Korean opportunity will be between a week and a month — in which the rapid deployment of U.S. "light" forces will be followed by the arrival of advance units of heavier divisions. That window will have to be exploited fully and successfully to "decapitate" the South's military structure and deal an irreversible blow to the bulk of southern forces before the window is shut.

The North Korean attack will probably start off with an intense artillery barrage all long the DMZ to pin down and destabilize southern defenses, followed by multiple landings on both coasts just behind the DMZ lines of defense to entrap and isolate the South Korean forces. In close coordination with the DMZ operations the North will launch concentrated attacks against air bases, control/command/communicating systems and storage depots. These attacks will also have a psychological effect on the citizens of the area as they completely clog up the roads in their attempts to flee south. Once the psychological shock paralyzes the principal defensive forces along the DMZ within 24 to 48 hours, the southern initial main defense down to the Suwon line could be rendered useless. As happened in decisive historical battles, once the psychological rot of shock and confusion engulfs the defending forces, the remainder of their battle plans will no longer be useful.

A massive barrage, in the tradition of the old Soviet military doctrine of heavy concentration of artillery fire across the DMZ against the Seoul defense line, simultaneously supported by landings on both coasts as well as by deeper penetrations by airborne units into the southern interior could have a devastating impact on the sustainability of South Korea's defenses.

The key to North Korean success is speed — the speed to roll up the defenses without the necessary mop-up like the Nazi forces through France in 1940 — which will completely eliminate the need for American reinforcements or disembarcation points for the arriving reinforcements. OPLAN 5027 seems to assume the sustainability of the southern defense, stability of southern endurability, and consequently enough time for reinforcements as its conditions. Once none of these is available, the plan itself will become untenable.

In making this imaginary scenario, other factors must also be considered: the fighting capacity of South Korean forces and particularly its rear echelons; the profile of American reinforcements and the time requirement for their placement in Korea; the general readiness of U.S. forces; the economic costs of the war and the reactions of the U.S. Congress and the American public.

If the "balloon" goes up in Korea, the available U.S. military assets in Northeast Asia (South Korea, Japan, Okinawa, and Guam) will not be enough to meet the requirement here. Other than the trip wire forces of two divisions (one each in Korea and Japan) and the Marine forces on Okinawa, the United States will have to transport divisions from the continental U.S. With the necessary heavy equipment and gigantic logistic tails, the timely movement of all the reinforcements from the United States will entail time, expense, and planning. To accomplish this, a major political decision must be made both by the U.S. president and Congress, not to mention an explosive public debate whose outcome will be difficult to predict.

If North Korea's first moves succeed and consequently reduce or close off the chances of timely American reinforcement, it will have most serious political implications for American domestic politics. For instance, will the American Congress and people be willing and prepared to pay the costs (in blood and money) and approve the inevitable plans for a Normandy-like invasion of Korea? Even in the "easy" Gulf War, in which the Iraq Air Force evaporated in a day, its navy was non-existent and useless and its army sitting in idleness, the air and land war still cost the coalition more than $60 billion a month — and not a penny came from the U.S. taxpayer. Besides, with the likelihood that nearly 90 percent of America's youth would oppose massive American involvement, will the American people support another war in Asia when the Vietnam war syndrome only lies skin deep?

Even if the northern strategy fails to achieve its goals and North Korea is ultimately destroyed, damage of immeasurable scale will have been inflicted on the South with equally immeasurable strategic and geopolitical impact on all of Northeast Asia, not to mention the expected alteration of relations among the big powers of the region. Unquestionably, Seoul will have been destroyed with "astronomical" casualties and an Armageddon-like destruction of high-rise buildings. The massive use of unlimited fire power in the most densely populated cities will have a truly mind-boggling effect.

Several factors ought to be borne in mind, especially by the leaders of South Korea, if effective preventive measures can ever be decided on and implemented.

First, they have to realize genuinely (not through lip service) that the collapse of North Korea is neither in the cards nor desirable for both Koreas and their neighbors. Second, it is imperative that South Korea develop policies towards North Korea with firm purpose, consistency and continuity. There is no room for daily whims and impromptu changes of policies from day to day, week to week, and month to month. Third, the real lessons of West Germany must be understood in earnest, not just pro forma.

The West Germans never talked about unification and never attached conditions' to their assistance to their Eastern brothers. The Germans were unified by the collapse of the Soviet Union and through its quiet, unconditional relations with East Germany that allowed no room for East German suspicion of Bonn's ulterior motives. As U.S. Ambassador James Laney said recently, "For our part, we do not need to act strong because we are strong." South Korea ought to truly understand the implications of the verity of this statement. Acting otherwise will only make Seoul forfeit the initiative.

ROK: Yi In-mo Returns to DPRK After Treatment in New York

SK2506022996 Seoul YONHAP in English 0051 GMT 25 Jun 96

[FBIS Transcribed Text] New York, June 24 (YONHAP) — Yi In-mo, 79, a North Korean prisoner repatriated to the North by the Kim Yong-sam government in 1993, left New York Monday to return home after a four-week stay for medical treatment.

Yi, who left John F. Kennedy International Airport at 2:30 PM Monday aboard a Northwest Airlines jet headed for Tokyo, will return to North Korea via Beijing.

Officials from the North Korean mission to the United Nations including Amb. Kim Hyong-u, saw Yi and his five-person entourage, including his doctor Yi Kun-yong and a nurse, off at the airport.

Yi arrived in New York May 29 and was hospitalized at Mt. Sinai Hospital in Manhattan for a week for a comprehensive medical checkup involving his chest and brain. He was discharged from the hospital on the eighth day after nothing was found to be particularly wrong with him physically.

In a telephone interview Kim Su-man, deputy chief of the North Korean mission, said "Even though he is still weak and in a wheelchair, Yi is in much better health and is going home."

While staying at lodging provided by the mission, Yi was interviewed by some ethnic Korean journalists. Last Thursday he visited the UN Headquarters accompanied by North Korean officials, his doctor and nurse to tour the UN General Assembly and security council halls.

A North Korean People's Army member during the 1950-53 Korean war, Yi was captured in Kochang, South Kyongsang Province. After serving a long prison term for refusing to change his ideological allegiance, Yi was repatriated to the North in 1993.

ROK: Three 'Long-Term Prisoners' Ask UNHCHR for Return to DPRK

SK2406101396 Seoul YONHAP in English 0748 GMT 24 Jun 96

[FBIS Transcribed Text] Seoul, June 24 (YONHAP) — Three long-term prisoners, who have persistently refused to be converted from communism, have sent petitions calling for their repatriation to North Korea to Jose Ayala Lasso, UN High Commissioner for Human Rights [UNHCHR].

Kim In-so, 68, Kim Yong-tae, 66, and Ham Se-hwan, 65, mailed the petitions to the commissioner through the Good Offices of the Korea National Council of Churches Monday morning.

Kim In-so argued in his letter that he has been "subject to constant oppression and discrimination by the Korean Government for more than 45 years." He said he was captured by the South Korean Army while serving as a non-regular communist fighter in 1951.

The inmates pleaded that they are obviously prisoners of war (POWs) who should be decently treated under the Hague Agreement of 1899 and the 1948 Geneva Agreement on POWs.

ROK Paper Views DPRK Telecommunications Plan for Najin-Sonbong

SK2406103496 Seoul CHUNGANG ILBO in Korean 24 Jun 96 p 2

[Report by Ho Ui-to]

[FBIS Translated Text] North Korea has finalized a plan to attract investments of $27 million to build a communications infrastructure in the Najin-Sonbong area, including $8.8 million to build the Najin Telecommunications Center [NTC]. Apart from this, North Korea proposed that a foreign company produce 300,000 pagers worth $4.5 million.

According to the Korea Trade Promotion Corporation (KOTRA) and other industry sources, North Korea's Committee for the Promotion of External Economic Cooperation has decided to build the NTC, switchboard facilities, a telecommunication network, telecommunications substations, and a cable network, and it will provide the pager service, which is called a "pocket bell" in North Korea. The Committee for the Promotion of External Economic Cooperation reportedly will announce an investment list at the upcoming large-scale international investment forum to be held in Najin in September.

At the previous international investment seminar held in Beijing in September 1995, North Korea announced a plan to attract investment for a telecommunications center and mobile and satellite communications switchboards, but held back regarding the scale of investment, saying that it needed further negotiations.

While tapping into the Najin communications infrastructure project, ROK companies are waiting for a government decision whether to allow their attendance at the September Najin forum. The Korean- American businessmen's association has already decided to send a delegation.

North Korea has chosen the build-operate-transfer method of investment. The basic plan for the communications infrastructure in the Najin-Sonbong area comprises the NTC and three substations in Sonbong, Wonjong, and Ungsang. These stations will be connected with both optic and ordinary cables. Mobile telephone and pager services will also be introduced.

Either a sole investment or joint venture is possible for the pager project. Semiconductors, computer assembly, solar batteries, liquid crystal display diodes, and ultrahigh-frequency elements reportedly are also on North Korea's investment list.

The pager production and service will be restricted to the Najin- Sonbong area for the time being. At the proposal of a small-to- medium sized ROK company, Korean-American businessman Gary Chong (a false name), 55, visited North Korea in May to negotiate the pager service project. He said: "It was confirmed that North Korea has no plan to expand the pager service to Pyongyang or other cities, in addition to the Najin-Sonbong area."

Chong also confirmed that there will be no restrictions for ROK companies. Chong said: "The pager service is well known among the young generation. The pager service will be introduced as soon as the economic difficulties are resolved."

Category	Size	Value ($1,000)	Remarks
NTC Tower	Three-story building	8,800	Samsung, Roxley are negotiating
Substations	Three	3,060	Sonbong, Wonjong, Ungsang
Switchboard and network for NTC	20,280 lines	9,534	Samsung, Roxley
Optic network	6,720 lines	1,040	Connection between stations within the area
Cable network	12,500 km	3,950	Connection between stations within the area
Mobile communications	600 lines	955	Three base service stations and one exchange station

Source: KOTRA

ROK, Indonesia Sign Memorandum on Defense Items Trade

SK2606062796 Seoul THE KOREA HERALD in English 26 Jun 96 p 3

[FBIS Transcribed Text] South Korea will purchase eight Indonesian-made medium-size military transport aircraft worth $120 million, the Defense Ministry announced yesterday.

At the same time, Indonesia has agreed to purchase Korean-made K- 1 tanks and armored vehicles amounting to the same price, a ministry spokesman said.

The agreement was reached by Vice Defense Minister Yi Chung-nin and B.J. Habibie, Indonesian minister of science and technology, in Jakarta yesterday, the spokesman said.

Under the agreement, Indonesia will use Korean-made parts in the production of the military aircraft, CN-235, which Jakarta will sell to Korea.

Yi and Habibie signed a memorandum of understanding, and both sides will sign a detailed contract by the end of the year.

It would be the largest trade of defense items between the two countries and is expected to further strengthen bilateral cooperation in the defense industry, said the spokesman.

South Korea purchased Spanish-made transport aircraft, CN-235M, in May 1995 to replace the aging U.S.-made C-123s.

CN-235 and CN-235M are deemed suitable for Korean strategic environments and will be put into special missions, such as antispecial warfare, rescue operations and strategic airborne transport.

The aircraft can carry 42 troops in full gear and cruise at a maximum speed of 215 knots.

ROK: Daewoo Telecom Sets Up Software Research Center in India

SK2506084496 Seoul YONHAP in English 0625 GMT 25 Jun 96

[FBIS Transcribed Text] Seoul, June 25 (YONHAP) — Daewoo Telecom said Tuesday that it has established a Software Development Research Center in New Delhi, India to develop integrated information and communication software including those used for switchboards, mobile and wireless communications.

The 2 million U.S. dollar center is staffed by competent Indian engineers, including 50 researchers. Softwares the center is planning to develop include software for ATM (asynchronous transfer mode) switchboards, softwares needed to control communication networks, for

FPLMTS (future public land mobile telecommunication service) and CDMA (code division multiple access).

The company also plans to expand the center to research staff to 100 researchers and use it as the centerpiece of its overseas research and development together with its New Jersey Center established last February.

ROK People Observe 25 Jun Korean War Anniversary

SK2506085196 Seoul YONHAP in English 0712 GMT 25 Jun 96

[FBIS Transcribed Text] Seoul, June 25 (YONHAP) — The South Korean people observed the 46th anniversary of day the Korean war broke out outbreak in solemn ceremonies held across the country Tuesday [sentence as received].

The Korean Veterans Association held a memorial service in the National Cemetery for those who fell during the three-year war. Approximately 300 veterans, including those who fought in the war as members of the United Nations Command and members of the fallen heroes' families attended.

The ceremony paid homage to the fallen heroes by ringing the bell near the monument 46 times in memory of the war dead.

The association also had a rally that drew approximately 10,000 citizens from every walk of life to encourage patriotism and a sense of national security among the people in the War Memorial Hall Plaza.

In the evening a concert and dance was held to comfort Korean war veterans at Sejong Cultural Center, with some 800 government and civic leaders, including Prime Minister Yi Su-sung, attending.

Some 600 college students belonging to the Korean Federation of University Student Associations got together in a meeting on the campus of Tongguk University to pay tribute to those fallen in the Korean war and pray for the peaceful unification of the country.

And primary and secondary school students across the country also observed the day in ceremonies held at their schools.

ROK: Kim Yong-sam Speaks About Korean War Anniversary

SK2506101496 Seoul YONHAP in English 0904 GMT 25 Jun 96

[FBIS Transcribed Text] Seoul, June 25 (YONHAP) — President Kim Yong-sam said Monday that a tragedy like the Korean war must never occur again.

"We must exert a strong effort for our national defense so as to prevent another war and to get North Korea to come to dialogue," he said.

Kim, on the occasion of the 46th anniversary of the outbreak of the Korean war, was speaking in a gathering to console Korean war veterans at the Sejong Cultural Center in downtown Seoul.

About 150 United Nations Command war veterans and their families attended the ceremony, along with Korean veterans, diplomats from nations that fought in the war and officials from the Ministry for Patriot and Veteran Affairs.

"The Korean war firmly repelled the challenge from the communist bloc and greatly changed the course of world history," Kim said. "The seeds of communism's collapse in the 1980s were already sown by the Korean war."

South Korea, once one of the most destitute nations in the world, was able to pull off its economic miracle thanks to the power of freedom, he asserted.

ROK Editorial Marks 25 Jun Korean War Anniversary

SK2506032096 (Internet) The Digital Chosun Ilbo WWW in English 1204 GMT 24 Jun 96

[Editorial: "Lest We Forget"]

[FBIS Transcribed Text] Distorted views and interpretations associated with the Korean war are becoming harder and harder to fathom. For a start there is the assertion that the war was started by South aggression. Then there is the revisionist theory by Bruce Cumings that the war was the natural volatile consequence of revolutionaries and counter-revolutionaries playing tug-of-war after liberation. Next there is the attempt to water down responsibilities by asserting that to calculate the origin of the war is futile and meaningless. Finally there is the proposition that the war should be forgotten in entirety.

The war cannot and should not be forgotten. It will never be forgotten. Whenever June 25 (marking the day war broke out) arrives we hear cry of sophists that "we should think of peace and reconciliation and not get stuck on the past". Should therefore the Jews forget Auschwitz, the Americans Pearl Harbour, the Poles the massacre at Katin? In the same vein should we forget the Japanese invasion? Of course is it natural that mankind passionately seeks peace and reconcilement but this is not the same as ignoring unforgettable history. Only after deep lessons of the past are thoroughly learned can history transform and enervate. Such a transformation must be preceded by genuine and self-reflection on the part of the world's assailants.

Just as there is punishment for those responsible for the execution of massacres, just as we encourage the Japanese to repent for their actions, the achievement of true consolation requires a ceremonial attainment which necessarily involves self-examination and contrition on the part of the criminals involved. However, some theorists in our society while issuing edicts for the apology, punishment, repentance, restoration and compensation on the part of certain persons and groups on the one hand, call for no assessment or require such things of those North Korean communists for their criminal parts in the Korean war.

If there was a hint that the Korean Communist Party had changed its ways even just a little then there would be scope for a different perception on our part. However it seems that nothing has changed. The North continues to express its diplomatic cliche of "bitter regret" but it has not altered it position one iota. By constantly imploring us to toss aside our heart-felt political sentiment and legal regime and even lift our security alert, North Korea engages in hypocrisy and even cunning of the purest variety.

The following observation can also be made. If the North claims that only after compromise on our part can the situation be tranquilized. What sounds like a meaningful axiom is actually constituent and resemblant of vague and misguided logic. What then of the tens of years of requests on the part of the south for family re-unitements, talks and more talks? What of the basic original agreement effected between the North and the South? Which side has caused this to come to nought?

We should never submit to the North's unilateral disarmament plans which would provide for the relaxing of our National Security Law and the North engaging in acts of sabotage. To forget the Korean war is to pardon the war criminals of their crimes. It would be to consent to the North continuing as it always has while we become soft and flabby in submission.

ROK: Audit Board Probing Execution of Kim Yong-sam's Pledges

SK2506042496 Seoul YONHAP in English 0159 GMT 25 Jun 96

[FBIS Transcribed Text] Seoul, June 25 (YONHAP) — The Board of Audit and Inspection (BAI) has 100 inspectors looking into how government agencies have dealt, and are dealing, with President Kim Yong-sam's election pledges and administrative instructions, now that the president is in the fourth year of his five-year term.

The inspection, which began last Monday, will continue until the end of this week and is focusing on economic ministries, according to officials of the Agriculture, Forestry and Fisheries Ministry and other economic ministries Tuesday.

The inspectors are especially interested in those pledges and instructions which have not been implemented without justification, and the officials responsible for such failures will be asked to account for them, BAI officials said.

The inspection, is the broadest ever conducted since the Kim Yong-sam government took office in early 1993, and is also intended to identify those pledges which need to be modified because they are practically impossible to fulfil during Kim's tenure, they added.

President Kim made a total of 1,225 election pledges, and 295 have been fulfilled, 879 are underway and the remaining 51 have not been addressed.

The fulfillment of these pledges has been estimated to cost 339.6 trillion won (424.5 billion U.S. dollars), and the government had appropriated 114.3 trillion won, or 33.7 percent of what is needed to fulfil the pledges by the end of last year, has set aside 43.3 trillion won or 17.7 percent for this year and will earmark the remaining 182 trillion won for next year and beyond.

The Construction-Transportation Ministry has fulfilled 58 of the 274 pledges it is responsible for, the Education Ministry 30 of its 124 pledges and the Health-Welfare Ministry six of the 50 pledges; and the Trade-Industry-Energy Ministry is working on 35 of the 70 pledges, the Agriculture-Forestry-Fisheries Ministry 44 of the 65 pledges, the Finance-Economy Ministry 36 of the 62 pledges and the Environment Ministry 20 of the 33 pledges.

ROK: Kim Yong-sam on Security Awareness, Cheju Summit, Assembly

SK2606072296 Seoul YONHAP in English 0655 GMT 26 Jun 96

[FBIS Transcribed Text] Seoul, June 26 (YONHAP) — President Kim Yong-sam, expressing concerns about what he saw as the "dilution" of national security awareness among the general public, called on the ruling party Wednesday to take leading role in refreshing security consciousness.

"The general public's awareness of national security has become much diluted as people of the generation that experienced the Korean War decline in numbers," Kim said. "The government party as well as the administration must take the lead in reinforcing security consciousness."

Kim was speaking at a Chongwadae [presidential offices] breakfast meeting with key ruling New Korea Party [NKP] officials, including Chairman Yi Hong-ku, to brief them on the outcome of his summit with Japanese Prime Minister Ryutaro Hashimoto on Cheju Island.

NKP spokesman Kim Chol quoted Kim as saying, "There should not be a single iota of miscalculation regarding security issues. Our party's lawmakers, must therefore take into consideration the time in which we live and the juncture at which we have arrived."

On his summit with Hashimoto, Kim was quoted as saying, "We discussed everything that could be dealt with between the two countries... although we avoid coping with an unfortunate past, future cooperation is equally important for Korea-Japan relations."

Referring to some Japanese media reports on the summit, Kim said, "The two governments were not supposed to make any announcements about those issues," indicating that important issues pending between the two countries were discussed at the summit.

"I expect that Japan will hold full discussions with us in its moves toward North Korea," Kim was further quoted as saying.

On ways to normalize the National Assembly and NKP operation, Kim was said to have fully entrusted the matters to Chairman Yi, saying, "Since the country's status in the world community continues to grow, I myself have too much to do as president. In addition, the North Korean issue is quite demanding."

ROK: 'Clash Flared Up' in Session To Elect Assembly Heads

SK2406114696 Seoul YONHAP in English
1133 GMT 24 Jun 96

[FBIS Transcribed Text] Seoul, June 24 (YONHAP) — Another round of physical clash flared up at the National Assembly Monday afternoon between the ruling and opposition parties.

The clash was between the New Korea Party (NKP) trying to select a speaker and vice speakers and thereby normalize the assembly and the opposition National Congress for New Politics [NCNP] and United Liberal Democrats [ULD] bent on obtaining a political concession from NKP before agreeing to return to the assembly business.

In the skirmish, the ruling party's effort to select the assembly leadership was again foiled. The session, adjourned at 6 PM, is to resume Tuesday afternoon.

Monday's session resumed around 2:20 PM, immediately after which acting speaker Kim Myong-yun, escorted by about a dozen NKP solons, sought to take the rostrum, but physically prevented from doing so by opposition lawmakers.

Kim returned to his chamber seat around 2:30 PM, where he said he would recess the session until 5 PM.

At 4:25 PM, 35 minutes before the session was to resume, Kim Myong-yun took the rostrum in a lightning action, protected by about 100 NKP lawmakers.

He stayed on the rostrum through 5 PM when opposition solons, enraged at seeing what had taken place during the recess, dashed to the rostrum, exchanging abuses and physically clashing with the NKP "guardsmen."

As those ruling party legislators on their floor seats couldn't move forward to vote in the selection of assembly leaders due to the opposition's harassment, acting speaker Kim declared around 5:37 PM he was adjourning the session because selection could not be made under the circumstances.

Around 6 PM, senior NKP whip Pak Chu-chon told fellow NKP solons to go home, saying there would be no further session until 2 PM Tuesday.

ROK Daily Views 'String of Recesses' by New National Assembly

SK2606064896 Seoul THE KOREA TIMES in English
26 Jun 96 p 2

[FBIS Transcribed Text] The special one-month session of the new National Assembly has been left idle since its opening June 5 because of its failure to elect the speaker and two vice speakers.

The special session is originally for the formation of the Assembly leadership. However, the rival camps have failed to form the House leadership because of bipartisan confrontations, touched off by the ruling New Korea Party [NKP]'s attainment of the legislative majority through the recruitment of independent and opposition lawmakers soon after the April 11 general elections.

The opposition camp physically obstructed every attempt by the ruling camp to hold the election of the speaker and vice speakers, demanding that the ruling camp apologize for its recruitment method, which it said was an action of negating the will of the people expressed in the general elections of lawmakers.

Taking advantage of the issue, the Opposition camp is pressing hard on the ruling NKP to guarantee the neutrality of the prosecution and police. The opposition camp feels it has no chance in the presidential election next year if the two investigation organizations are not free of Presidential influence.

However, the ruling NKP is strongly opposed to the opposition camp's demand, saying that it is only a "trick" to make people believe the opposition's failure in the April elections was the result of a "partial" prosecution and police.

Claiming that the election of the speaker and vice speakers is legally imperative during the first session after the general elections, the ruling camp made it clear that it can in no way accept the opposition's demand.

The ruling NKP said the formation of the House leadership was mandatory under the law. It was not something subject to partisan bargaining, it said, asking the opposition to be reasonable.

The ruling camp has tried to force through the elections of the House leaders every time the Assembly was called to order, only to be thwarted physically by the opposition camp.

As things stand, the rival camps yesterday agreed to recess the plenary session for four days until Monday [24 June], wary of mounting public criticism of the ugly "free-for-all" on the floor. It will be the third in a string of recesses since the House opened June 5.

The political parties will hold dialogue at various channels during the recess for the election of the Assembly leadership so that the new National Assembly can be launched to handle a host of pressing national issues.

However, smooth operation of the Assembly is out of the question as long as the three Kims—President Kim Yong-sam, Kim Tae-chung of the National Congress for New Politics, and Kim Chong-pil of the United Liberal Democrats—continue to stick to their political bigotry.

President Kim blames the two Kims for all the unthinkable developments in the National Assembly, while the two Kims point their fingers at President Kim for the current political fiasco.

President Kim thinks that the two Kims should ease out of the way for the rise of new generations. His call in fact is appealing because the general public have seen enough of them since they have taken the center stage of politics for the past three decades.

However, the two Kims are different. They are pinning their last hope on the forthcoming presidential election in December next year. They are staking everything on the poll.

And therefore, the current political wrangling over the launching of the new Assembly can't be irrelevant to the presidential elections.

ROK: National Assembly Recesses Until 29 Jun

SK2506094596 Seoul YONHAP in English 0837 GMT 25 Jun 96

[FBIS Transcribed Text] Seoul, June 25 (YONHAP) — The National Assembly convened a plenary session Tuesday afternoon and resolved to take another recess until Saturday, the sixth of its kind since the opening session three weeks ago, in an effort to break the impasse involving the ruling and opposition parties' confrontation over the formation of its leadership.

The ruling New Korea Party, main opposition National Congress for New Politics and the opposition United Liberal Democrats agreed to the recess during a deputy floor leaders' meeting prior to the opening of the parliamentary plenary session.

They also agreed to conduct behind-the-scenes negotiations on pending political issues including the political neutrality of the police and prosecutors during the recess.

Acting speaker Kim Myong-yun adjourned the plenary session according to the agreement reached by the three political parties.

The rival parties are scheduled to deal with the election of a speaker and two vice speakers at the seventh plenary session next Monday.

Since there is such a great disparity in their perspective on pending issues, however, there is not much chance that they will be able to reach a compromise, according to political analysts.

ROK Editorial Comments on Assets Declaration by Officials

SK2506013096 (Internet) The Digital Chosun Ilbo WWW in English 1206 GMT 24 Jun 96

[Editorial: "Public Officials Asset Register Reform"]

[FBIS Transcribed Text] The fact that the Public Officials Ethics Committee has had cause to reprimand a number of public officers for either failing to declare assets or for negligently registering their assets reminds us starkly that the Public Officials Asset Register does still exist. There was great pomp and ceremony when this register was introduced under the flag of reform three years ago but now it resembles a dated vestige of yesteryear. The government must now decide whether the register will remain a creature of symbolic form only or whether its original purpose will be carried through and an active operation of the register set into motion.

As it stands, the register does not record a true and sincere statement of the assets of public officials. Should the Kim administration decide not to vigorously put the register into practice and strengthen the enforcement regime that surrounds it, not only will his will for reform become impaired but a cesspool of lying public servants will form.

It is proper and just that public officials be called to explain marked increase and decreases in their asset holdings. Last year although the stock market came across bad times, there were a number of public officers whose share portfolio values increased by upwards of 100 million won. Yet these people were never required to reveal whether or not these profits were derived through access to government information or not. Similarly, there were many instances of National Assemblymen whose assets decreased and were suspected of channeling private funds into their political campaigns. These alleged incidences of impropriety were never investigated.

The Election Law is another case in hand. It is an open secret that elected National assemblymen spent hundreds of millions of won each in the recent general election to support their campaigns. In each case they reported to the Election Management Committee that they spent under the legal limit of 81 million won as prescribed by the Election Law. Yet the Election Management Committee did not disclose that it had detected one solitary case of falsification. If the government continues to ignore the sobering fact that law and reality are worlds apart in this country then any use of the word "reform" will constitute the paying of trite lip service to the true nature of the concept.

ROK: Institute Urges Government To Get Tough on Inside Trading

SK2606033196 Seoul THE KOREA HERALD in English 26 Jun 96 p 8

[FBIS Transcribed Text] The government should get tougher on inside trading by local large business groups, as damages resulting from such activity may negatively effect the efficiency of the national economy, a state-funded think tank alleged in a report yesterday.

Large business groups have employed unfair business practices to boost their competitiveness "artificially through mutual cooperation among affiliated corporations," the Korea Institute for International Economic Policy (KIEP) said.

Such unfair, mutual cooperation among group subsidiaries has made it virtually impossible for small and medium-sized enterprises to enter markets.

Such activity has also eliminated existing smaller firms from the market and restricted fair competition, thus lowering the efficiency of the national economy as a whole, the institute maintained.

It took an example of an example of how such mutual cooperation among subsidiaries of a business group may change the landscape of a domestic market.

A paint maker, quoted only as its initial G, enjoyed the largest share of the local paint market before 1989. Since then, however, its rival, firm K, has outstripped the company as the largest paint producer by supplying its products to an automaker and a producer of heavy machinery belonging to the same business group as K, the KIEP said.

"The government should crack down on inside trading within large business conglomerates to promote fair market competition," it stressed.

To that end, the government should expand the scope of inside trading practices and slap stiffer punishment on violators, the institute said

Large business groups should also be required to report a consolidated financial statement which indicates the financial status and business performance of the group as a whole, it added.

ROK: Stock Market Prices Said Down to Lowest Level

SK2506034596 Seoul YONHAP in English 0244 GMT 25 Jun 96

[FBIS Transcribed Text] Seoul, June 25 (YONHAP) — Share prices nose-dived Tuesday morning, sending down the Korea composite stock price index 7.27 points to 835.21 at 10:30 [0130 GMT].

The figure was slightly below the year's lowest closing index so far of 838.83 registered on March 13 and above the lowest mid- session index of 834.89 on March 24.

Weakened investor sentiment due to uncertain market prospects are blamed for the crash.

ROK: Central Bank Revises Macroeconomic Forecast Due to Deficit

SK2606032996 Seoul THE KOREA TIMES in English 26 Jun 96 p 9

[FBIS Transcribed Text] The Bank of Korea, faced with sluggish exports and a widening current account deficit, has embarked on a revision of its macroeconomic forecasts for this year.

In the revision, the central bank is expected to revise upward its projection for the current account deficit to more than 10 billion dollars. The inflation rate goal will be either 4.7 percent as initially forecast or adjusted upward only slightly.

The GDP growth rate will also remain unchanged at 7.2 percent despite reports about worsening economic fundamentals.

In late 1995, the BOK predicted that Korea's current account deficit would be 6.4 billion dollars this year, but revised upward its deficit projection to 7.9 billion dollars last month.

In the first four months of this year, the current account shortfall amounted to 6.5 billion dollars. "In May and June, the deficit grew at a rapid pace. Against this backdrop, we inevitably have to revise the deficit projection," a central bank official said.

ROK: Na Ung-pae on 1997 'Zero-Based' Budget Formulation

SK2606064796 Seoul YONHAP in English 0622 GMT 26 Jun 96

[FBIS Transcribed Text] Seoul, June 25 (YONHAP) — Deputy Prime Minister and Finance-Economy Minister Na Ung-pae said Wednesday zero-based budgeting techniques should be applied in the formulation of next year's estimates, especially the estimates of ordinary expenditures and subsidies, to cut back on budget expenditures as much as possible.

In zero-based budgeting, each item is justified on the basis of cost or need, not on the basis of the previous year's expenditures.

To increase level of stock market self-regulation, the Finance- Economy Ministry should only provide basic operational guidelines, and actual management of the market should be delegated to the Securities Supervisory Board, and similar initiatives would also be taken for the banking and insurance industries, the government's chief economic policy maker said.

Na was speaking at an expanded ministry staff meeting of officials who are bureau chief-level or higher.

He predicted the economy would grow 7 percent this year with an a 4-percent inflation rate and expressed concern about the current- account deficit increasing faster than anticipated and stressed the need to take action to narrow the trade imbalance.

The economic management plan for the second half of the year should be revised to reflect the deteriorating business climate both at home and abroad, including sluggish exports and an increasing trade deficit.

ROK Manufacturers Expect Economic Upturn in 3d Quarter

SK2506033996 Seoul THE KOREA TIMES in English 25 Jun 96 p 9

[FBIS Transcribed Text] Domestic manufacturers expect the economy to turn up more or less in the third quarter of this year, the Korea Development Bank said in a report yesterday.

The report, based on a poll of 1,218 manufacturing companies, said the business survey index (BSI) for the July-September period was 110, compared to 104 in the second quarter.

"In the export sector, prices will recover a bit. Facilities investment will also show steady growth, pumping up business activity," the report said.

"In view of this fact, many entrepreneurs believe there won't be a drastic economic downturn due to an export slowdown," the state- run bank said.

The BSI surveys the opinions of entrepreneurs about the state of the economy. If the BSI figure is higher than 100, it means that those painting a bright picture for the economy outnumber those forecasting a bleak economy, and vice versa.

The BSI for the heavy industry and chemical sector rose from 110 in the second quarter to 122 in the third, and that for the light industrial sector increased from 99 to 105.

The cement industry was projected to have the brightest showing in the third quarter as its BSI was computed at 163. Other industries expected to enjoy a boom in the July-September period include electrics and electronics (132), machinery (124) and automobiles (120).

Such industries as paper, textiles and petrochemicals were expected to remain flat in the third quarter.

The KDB report comes as an unexpected surprise as most economic think tanks and government agencies predict that the economy will go downhill in the second half of this year.

Exports, once the prime locomotive of Korea's economic growth, have been experiencing an acute slowdown since the beginning of this year owing to weakened price competitiveness caused by the weaker yen.

The report estimated the BSI for facilities investment in the third quarter at 112, up from the 111 in the second and that for capacity utilization was forecast to rise from 122 to 126.

In contrast, the BSI for inventories was predicted to drop from 94 to 90, indicating that companies will grapple less with the inventory problem.

The state-run bank urged the government to steer the economy in a stable manner. "Despite the high BSI figure for the third quarter, uneasy sentiment persists with regard to major macroeconomic indicators such as exports, inflation and the current account balance," a KDB researcher said.

ROK: Ministry Plans Meetings With Strategic Industry Representatives

SK2606033096 Seoul THE KOREA TIMES in English 26 Jun 96 p 8

[FBIS Transcribed Text] The Ministry of Trade, Industry and Energy [MOTIE] said yesterday it would hold weekly meetings with representatives of the private sector, specifically 25 strategic industries through the end of the year.

Ministry officials said the meetings — designed to promote exports and encourage greater investments in research and development — would be held every Monday and be presided over by the MOTIE minister.

They said the weekly sessions would go a long way in enhancing the competitiveness of local industries and identifying measures that would boost their positions in international markets.

The 25 strategic industries belong to the top 10 export categories including machinery and electronics, 10 light industrial sectors with high added value and five others with high export potential including optical devices.

In the first meeting Monday, MOTIE Minister Pak Chae-yun told industry representatives that a large-scale exhibition complex for local machinery would soon be set up.

Ministry officials said the complex, to be built on a 66,000 square meter (20,000 pyong) site at a yet-to-be-selected location, is part of the government's efforts to promote the capital goods industry.

"Machinery is one of the most promising sectors in manufacturing, and the exhibition complex will be one of the various concrete measures the government will take to promote it as a strategic industry," one official explained.

Experts who attended the meeting including university professors, cited the Japanese experience, noting that one of the reasons for that country's success is the high rate of investment in research and development and the standardization of machinery parts and components.

After the meeting at the headquarters of the Korea Chamber of Commerce and Industry in downtown Seoul, the MOTIE officials said the sessions — aimed to bring to light the latest situations in the various sectors — would be reflected in government policies.

ROK Firms Trimming Investments for Latter Part of 1996

SK2606041696 Seoul YONHAP in English 0221 GMT 26 Jun 96

[FBIS Transcribed Text] Seoul, June 26 (YONHAP) — An increasing number of Korean companies are trimming investments for the latter part of this year due to a persistent business slowdown, business sources said Wednesday.

Major business groups including Samsung, Hyundai, LG and Daewoo are adjusting their investment priorities and scaling back indirect investments because of a persistent business slowdown that they believe will continue until the latter half of the year, according to the sources.

Samsung Group, the sources said, has been reviewing its plan to build auto plant for small- and medium-sized commercial vehicles. In addition, Samsung decided to slash indirect investments for public relations events and education to 250 billion won (about 307 million U.S. dollars) from one trillion won (1.23 billion dollars).

Hyundai postponed ground-breaking schedule for a 1.5 million-ton- a-year cold-rolled steel sheet plant in Ulsan Industrial Complex.

Hanjin Group, which is scheduled to break ground for a rolling- stock plant late this month, decided to slash the plant's annual capacity from 500 units to 250.

Korean polyester businesses, already confronted with a supply glut, are also adjusting new project plans. Kohap, Korea's third largest manufacturer of integrated synthetic fabrics and yarn, postponed until next year the TPA (terephthalic acid) plant project the company originally planned to break ground in Dalian, China, this year, according to the sources.

Dongyang Polyester Co., which broke ground for TPA plant with an annual capacity of 250,000 tons early this year, postponed the dedication schedule until the latter part of next year.

ROK President Kim Urges Resolution of Labor Disputes

SK2506064496 Seoul YONHAP in English
0524 GMT 25 Jun 96

[FBIS Transcribed Text] Seoul, June 25 (YONHAP) — President Kim Yong-sam instructed his cabinet Monday to make an all-out effort to settle labor disputes lest they should adversely affect the nation's economy.

"It is no exaggeration to say that the future of our economy depends on whether labor-management relations are stable," Kim said. "Do your best to ensure stable relations between the union and management until labor-management negotiations are concluded at large businesses so that labor disputes may not adversely affect the economy."

Kim issued the instruction at a Chongwadae [presidential offices] meeting with cabinet members, including Prime Minister Yi Su-song, Seoul mayor Cho Sun and senior presidential secretaries.

The chief executive urged economic ministers to effectively cope with economic slowdown, inflation and the growing trade deficit by formulating a realistic economic management program for the latter half of the year.

On the environment, Kim warned that "acts of destroying the environment ruin ourselves and our posterity." He then told relevant officials to "thoroughly crack down on serious environmental crimes like the illegal dumping of industrial wastes and at the same time, educate citizens about environmental crimes."

After explaining the outcome of his summit talks with Japanese Prime Minister Ryutaro Hashimoto over the weekend, Kim stressed the need to develop "genuinely future-oriented Korean-Japanese relations." He instructed related ministries to implement the agreements reached at the talks and endeavor to resolve pending issues with Japan.

Kim was to brief the results of the summit to Supreme Court justice Yun Kwan, Constitutional Court President Kim Yong-chun and Yi at a Chongwadae luncheon later in the day.

ROK: Labor-Management Strife in Shipbuilding Industry 'Mounting'

SK2506033196 Seoul THE KOREA TIMES in English
25 Jun 96 p 8

[FBIS Transcribed Text] Another round of labor-management tension is mounting in the manufacturing industry, with shipbuilding workers threatening a collective walkout to press their demand for the reinstatement of dismissed employees and shorter work hours.

Industry officials said yesterday the disturbance could not have come at a worse time when Korean shipbuilding is suffering from one of the toughest times in recent years due to strong competition from Japanese companies.

The looming dispute is especially disconcerting since union workers are taking a tough line on issues like the reinstatement of dismissed colleagues, an issue that company owners have vowed not to include in collective bargaining.

The overall atmosphere in the manufacturing industry appeared to be returning to normal with the conclusion of the work stoppages at state-run companies and some automakers, but this week could prove to be the turning point in the shipbuilding industry.

Unionists of Hanjin Heavy Industries yesterday voted to go on strike with 91.8 percent of the total union workers casting yes ballots in favor. With the date for action yet to be decided on, many workers returned home after the voting, paralyzing operations.

At Daewoo Shipbuilding and Heavy Machinery, the mandatory cooling-off period is due to expire Wednesday and the union is planning to hold a major rally Friday to decide on whether or not to go on strike. Meanwhile, other unions including the one at Hyundai Mipo Shipyard, one of the nation's largest companies specializing in repair, is reportedly waiting for other, major shipbuilding firms' unions to initiate a walkout to follow suit.

"This week is going to be a tough week since it could make or break the industry. It is concerned that the union workers are seeking collective action," one Hanjin management official said. He added that there was little hope for an early compromise since union representatives were all demanding the reinstatement of dismissed workers, an issue which the Korea Employers Federation had earlier written off as "not negotiable."

ROK: Hospital Union Workers Threaten Strike Over Wages

SK2606071996 Seoul YONHAP in English
0502 GMT 26 Jun 96

[FBIS Transcribed Text] Seoul, June 26 (YONHAP) — Unionized workers at nine hospitals across the country have threatened to go on strike Thursday unless five demands are met including a wage increase and the reinstatement of dismissed union leaders.

The National Federation of Hospital Trade Unions made the announcement at a press conference at the Hanyang University Hospital in eastern Seoul.

The Chonnam and Chonbuk National University Hospital Unions are scheduled to go on strike Thursday, and will be followed Friday by unions at Hanyang University Hospital, Seoul Central Hospital and Kyonghui Medical Center. Unionists at Chosun University Hospital are slated to walk out next Monday, while the unions at Kyongsang University and Chongnam National University Hospitals will strike next Wednesday, and the Chongju Medical Center Union next Thursday.

The unions have also demanded employment security guarantees, expanded convenience facilities for patients and their guardians and union participation in personnel, administrative, and management decisions.

A union leader threatened to wage a concerted struggle to block the authorities from employing official arbitration and deploying police in an effort to break up the strikes.

ROK: 'Education Tax' Imposed on Cigarette Sales 1 Jul

SK2606072096 Seoul YONHAP in English 0538 GMT 26 Jun 96

[FBIS Transcribed Text] Seoul, June 26 (YONHAP) — The price of local cigarette brands will be increased from 100-300 won beginning next month.

Korea Ginseng and Tobacco Corp. has already announced that it will raise the price of domestic cigarettes by 200 won beginning next month since a new 184 won per pack education tax will be newly imposed beginning July 1, and sales commissions have also increased by 20 won per pack.

The Ministry of Finance and Economy (MOFE), however, pointed out that an equal increase would harm price stability. Hence, MOFE and the state-run company agreed to grade the increase amount by 100-300 won.

According to the agreement, "This" brand will be raised from 900 won to 1,000 won, "Omar Shariff" and "Hanaro" from 1,000 won to 1,200 won, "88 Light" from 700 won to 900 won, "Glory" and "Expo" from 900 won to 1,100 won.

The price of "Sol" and "Chongja", however, will remain the same.

Cigarette dealers, meanwhile, are also planning to increase the price of imported cigarettes, which currently have 15 percent of the Korean tobacco market, by 300 won beginning next month because of the new tax.

Burma

Burma: Seizure of Trucks Causes Tension at Indian Border

BK2306105396 (Internet) BurmaNet News in English 21 Jun 96

[Report by All Burma Students' Democratic Front on the Indian border; date not given]

[FBIS Transcribed Text] Two logging trucks from India side were confiscated on 15.6.96 by Burmese authorities within territory. The Indian O.C. [Officer Commander] of police at Moreh went to negotiate the matter with Burmese authorities at gate No. (1). Immigration officials from Burma side asked O.C. for border-cross ticket. They had some hot debate on the instance. The Indian O.C. got angry and returned to Moreh side and confiscated two motorcycles. But by negotiating of Segal, an Indian businessman, these two motorcycle were released. But on the other hand, the immigration officials at gate No. (2) telephoned to Burmese army unit located in the vicinity. On his call a unit of Burmese soldiers rushed at the site. The unit commander of the Burma side talked to a Maj. of Indian army. Burmese commander was interpreted to Indian Maj. by a man called Raju. Burmese army officer used some abuses to the Indian Maj. Indian Maj. got angry and he kicked the interpreter.

The situation became strained between two troops. At last Indian troop drove away in anger. They closed the gate No. (2) and began to arrest the people from Burmese side in the market. A kind of unrest spread in the market of Indian side for that day.

Two logging trucks, drivers and other on the trucks have been sentenced to 7 years jail terms, according to the information reached here.

Burma: Mass Rally To Denounce 'Minions' Held in Thayet

BK2406132196 Rangoon TV Myanmar Network in Burmese 1330 GMT 23 Jun 96

[FBIS Summary] The television carries a 15-minute recorded report on a mass rally held at the District Sports Grounds in Thayet on the morning of 9 June to support the State Law and Order Restoration Council's [SLORC] national constructive endeavors and to denounce "destructionists." The rally was attended by more than 55,000 people from Thayet, Kama, Minhla, Mindon, Aunglan, and Sinbaungwe Townships.

The report says Dr. Tin Htut, head of the Thayet District Health Department, chaired the rally and delivered an address. The report says that Dr. Tin Htut noted the implementation of four political, four economic, and four social objectives to develop a peaceful, tranquil, modern and developed nation; the need for a firm and enduring state constitution; and the return of 16 jungle-based armed groups to the legal fold to join hands with the state government to implement regional development programs.

He says: "Nobody can deny the fact that the SLORC government is the most effective government, and that it has restored essential peace and stability in the country."

He then explained the SLORC's achievements and its efforts for the all-around development of the country. He then added: "One can also see that while the government is working for the significant all-around development of the country day and night without taking a break, the internal and external destructionists are also conspiring and attempting to create unrest to destroy the country and to bring about a similar four-eight [8 August 1988] disturbance. The external destructionists—who do not see, but rather ignore the progress of our country, national development works, and the success of the National Convention, and who are airing, writing, and disseminating reports with negative views—are controlling and manipulating the internal minions. They are destroying the peace, stability, national aims of the country. That is why, the people must differentiate between the rule of humans and of demons and then oppose, annihilate, and denounce all destructionists by regarding them as the common enemy."

The report says that, following Dr. Tin Htut's address, Daw Khin Myint from Shwebontha Ward in Thayet proposed a motion to support the SLORC's national constructive endeavors and to denounce "all destructionists" who are opposing and disrupting the progress of the state. The motion was endorsed by U Tin Myint from Pyidawaye Ward in Thayet and by the people attending the rally. The mass rally concluded with the chanting of slogans.

Burma: Mass Rally Held in Myingyan 12 Jun To Back Junta

BK2606091996 Rangoon TV Myanmar Network in Burmese 1330 GMT 25 Jun 96

[FBIS Summary] A mass rally attended by 40,395 people was held at the People's Sports Stadium in Myingyan on 12 June.

Addressing the rally, U Chit Tin, district labor officer and presiding chairman of the rally, recalled the colonization of Burma by the British and what he called the expropriation of the country's resources and suppression and destruction of its culture and heritage. He accused the British of "destroying our race by making the royalty marry foreigners." He said that the Burmese rose in unity and fought British rule to obtain independence. He blamed the warfare in the country since independence on "imperialist instigations."

He recalled the "disintegration of unity during the 1988 events" and the subsequent "emergence of Mrs. Michael Aris, or the modern political stunt actress, or the Western fashion model, or the queen of the National League for Democracy," who, despite her father's heritage, "arrogantly criticized the Defense Services and viewed the works of the Defense Services with pessimism. She opposes whatever the Defense Services do and is working toward confrontation. She is undermining peace, stability, and national unity in the country."

He said: "There are also minions under foreign influence hanging around the fringes of her sarong and fawning at her."

He said: "These people were ousted for their lack of loyalty to the government and the Defense Services and for their misconduct. Out of bitterness toward the government and the Defense Services and their own lack of ability, these people are forced to hang on to the fringes of her sarong." He then called on the people to support the national endeavors of the State Law and Order Restoration Council and denounce the activities of "Daw Suu Kyi and her associates."

Next, U Kyaw Aung Htay, headmaster of Myingyan No. 1 Middle School, submitted motions "to express support for the national endeavors of the government" and "remove and denounce the destructive elements."

U Tin Aung Nyunt, information and public relations officer of Myingyan, seconded the motions, praising the Defense Services for their national development endeavors. He said the presiding chairman had already elaborated on how "Daw Suu Kyi — a slave [kyun ma] — came to bring trouble to our country." He said Daw Suu Kyi has forgotten about the role of the Defense Services in the struggle against the "imperialists and fascists" and its role in safeguarding the nation after independence. He criticized Aung San Suu Kyi for "branding the Defense Services as a fascist army and an army protecting old men. This is aimed at causing the disintegration of the Defense Services. What else could it be?"

He said: "Considerable achievements are being made in building a new democratic nation. Should we suspend and roll back these constructive endeavors just because of this race-destroying woman and the internal minions living on the fringes of her sarong? I declare that we will not roll back."

He asked: "Why is this wife of an Englishman and mother of English children who gave birth to English children while living in England interfering in Myanmar [Burma]? I inform the general public that we should expel this race-destroying woman and her followers who are internal minions from Myanmar. This race-destroying woman and the opportunists living on the fringes of her sarong must leave our country."

U Win Hlaing, seconding the motion, said Daw Suu Kyi, despite her status as daughter of national leader General Aung San, is "brutally crushing" her father's anti-imperialist heritage and patriotism and "is leading the country toward a reversion to servitude and ruin." He then called the National League for Democracy a potpourri of diverse ideologies, beliefs, and backgrounds backing "Daw Suu Kyi, who has no definite political policy."

He said: "Daw Suu Kyi is serving the international imperialists and engaging in political opposition by surrounding herself with leftist destructionists and the politically discarded." He said: "The race-destroying woman and the organization engaged in destructive activities should be expelled from the country."

The rally ended with the shouting of slogans after the motions were passed and endorsed.

Burma: SLORC's Khin Nyunt Receives National Leaders in Rangoon

BK2306152596 Rangoon TV Myanmar Network in Burmese 1330 GMT 23 Jun 96

[FBIS Translated Text] At the Defense Services Guest House on Inya Road in Yangon [Rangoon] at 1600 today, Lieutenant General Khin Nyunt, chairman of the Work Committee for the Development of Border Areas and National Races and secretary-1 of the State Law and Order Restoration Council [SLORC], received: U Za Khun Ting Ring, a national leader from No. 1 Special Region in Kachin State; U Tha Kalei, a national leader from Shan State; U Sanda, a national leader from No. 2 Special Region in Kayah State; U Than Soe Naing, a national leader from No. 3 Special Region in Kayah State; and the party accompanying these leaders.

The meeting was also attended by: Lt. Gen. Maung Thint, minister of progress of border areas and national races and development affairs; Major General Aye Kyaw, minister of information; Maj. Gen. Saw Tun, minister of construction; Education Minister U Pan Aung; Health Minister U Saw Tun; Deputy Forestry Minister U Aung Phone; Deputy Agriculture Minister U Tin Hlaing; Deputy Energy Minister U Tin Tun; Colonel Kyaw Win, deputy director of the Defense Services

Intelligence Directorate; Lieutenant Colonel Pe Nyien, director general of the SLORC Office; and heads of departments and responsible personnel.

At the meeting, they held discussions and coordinated on matters concerning the improvement of transportation and communications, education, health, agriculture, economic enterprises, and regional development programs.

Burma: Entrepreneurs Hold Pro-SLORC Mass Rally in Mandalay

BK2506112996 Rangoon TV Myanmar Network in Burmese 1330 GMT 24 Jun 96

[FBIS Summary] The television carries a 22-minute recorded report on a rally held at the No. 1 City Hall in Mandalay during the morning of 24 June at which entrepreneurs expressed their desire to support the State Law and Order Restoration Council's [SLORC] national constructive endeavors and to denounce "destructionists." The rally was attended by more than 6,000 members of various entrepreneurial organizations from Mandalay, Meiktila, Myingyan, Magwe, Monywa, Shwebo, Sagaing, and Kale Townships.

U Kyaw Win, an entrepreneur from Sein Pan Industry and chairman of the rally, noted in his address that the internal strife that has raged for almost half a century has been the work of the "colonialists" and that the SLORC has now been able to deliver peace and unity. He praises the SLORC's efforts and says: "We have been disgusted at hearing that a group of people is conspiring to deter foreign countries from investing in Myanmar [Burma]; preventing financial assistance from monetary organizations; discouraging tourists from visiting Myanmar; and urging ASEAN and international communities to isolate Myanmar."

He called on the destructive elements to halt "fabrications and the application of internal and external pressure." He concludes by saying that the real desire of the entrepreneurs is identical with that of the people: "Oppose those relying on external elements, acting as stooges, holding negative views. Oppose those trying to jeopardize the stability of the state and the progress of the nation. Oppose foreign nations interfering in the internal affairs of the state. Crush all internal and external destructive elements as the common enemy."

The report says that, following U Kyaw Win's address, Daw Moe Moe from Zaygyo Market proposed a motion to support the SLORC's national constructive endeavors and to denounce "all destructionists" who are opposing and disrupting the progress of the state. The motion was endorsed by Daw Aye Aye Than from Amarapura Township and by the people attending the rally. The rally ended with the chanting of slogans.

Burma: Article Views West's 'War' Against Socialism

BK2506095096 Rangoon THE NEW LIGHT OF MYANMAR in English 25 Jun 96 pp 4, 5

[Article by Muang Hmat Kyauk]

[FBIS Transcribed Text] Western capitalist countries are covertly and overtly waging war in devious-ways against socialist countries that are proceeding along a way entirely different from capitalism. As it is a head-on clash between capitalist countries and socialist countries, I don't want to butt in and say anything. But why are the capitalist countries opposing Myanmar Naing-Ngan [Burma] that has abandoned the socialist economic way and is practising the market economy, rejecting the one party system and setting up genuine multi-party democracy? I must say something about this because it concerns all citizens of Myanmar Naing-Ngan.

Myanmar Naing-Ngan is an independent, sovereign nation. It has the right to shape its own destiny. It has the right to proceed as it wants to in promoting its own interests and those of its citizens. Such right is enshrined in the United Nations Charter. I analysed the West bloc's objective in meddling in the internal affairs of Myanmar, using their media.

It can clearly be seen. Myanmar Naing-Ngan is a country of strategic importance to them. It is rich in natural resources. So their mouths are watering. Moreover they are feeling vindictive against Myanmar Naing-Ngan that had broken free from colonial rule and gained Independence. They are scheming to enslave, dominate and exploit again the Myanmar Naing-Ngan that is desirable in all aspects.

The West bloc is pursuing the neo-colonialist way of blatantly interfering in the internal affairs of other countries, bringing down governments that do not obey their dictates, installing those that will do what they tell them to do. Neo-colonialists led by the Americans are carrying out the scheme for domination by blockades, prohibitions, obstructions, causing disturbances and exploiting their foster sons, foster daughters, henchmen, axe-handles, and runaways, with their incitements and instigations.

They have been interfering with Myanmar Naing-Ngan for long. It has been so since Myanmar regained Independence. They had caused many disturbances. By means of the four-eights disturbances, they had conspired to get Myanmar Naing-Ngan into their hands.

If the Tatmadaw with its great tradition in national politics had not come in and stood staunchly, it would now have been about eight years since we became slaves again. So the West bloc became more wrathful at Myanmar Naing-Ngan. With the collaboration of axe-handles inside the country, they have come to perpetrate more aggression.

American Congressmen Stephen Solarz came to Yangon and instigated their agents to aggravate the 1988 disturbances. Another one named Rohrabacher, who advertised himself as the one having to write speeches for the American President, pushed the students at Manerplaw to become insurgents once and for all.

Those such as the American State Department, the White House, a group of insane American Congressmen, VOA, BBC, CIA, CNN, Amnesty International have been immorally interfering and driving wedges in the internal affairs of Myanmar for long, unscrupulously trying to get the Association of South-East Asian Nations (ASEAN), the European Union (EU) and world nations not to have relations with Myanmar Naing-Ngan, not to make investments, not to patronise the Visit Myanmar Year, to isolate Myanmar Naing-Ngan, to cut economic ties with it and to impose economic sanctions on it. Even amidst such attempts of theirs, firms from 19 countries have made investments in Myanmar Naing-Ngan, and investments from England, France and America are among the top five on the list.

During the month of June, American President Clinton's special envoys namely former Ambassador William Brown and Stanley Roth of the American Institute for Peace were sent to six Asian countries, member countries of ASEAN and Japan, on a mission to urge these nations to cut economic relations with the exert pressure on Myanmar Naing-Ngan.

Malaysian Prime Minister Mahathir said the current events in Myanmar were just its internal affairs. Clinton's envoys had cleverly used the term Asian solution in urging the Asian nations to put pressure on Myanmar but Indonesian Foreign Minister Ali Alatas said clearly that Indonesia would follow the ASEAN principle of non-interference in other countries internal affairs. He said "Our position is already clear. It is like ASEAN's position towards Myanmar and it has not changed. We don't see any use in isolating Myanmar.

Julius Caesar Parennas of the Manila-based Institute for International and Strategic Studies told AFP. "I do not think that the aggressive approach that the United States is taking is going to be very effective, ASEAN is doing the sensible thing."

Parennas said "cutbacks on trade and investment are not going to mean much to Myanmar" whose economy is not integrated with the outside world.

Singapore's Senior Minister Lee Kuan Yew, known for his political wisdom, said there had been representations made by the Australians, the British, the Americans (saying) squeeze them, you should not be investing (in Myanmar) but that just squeezing them would not solve the problem, it was reported in Singapore Straits Times. He continued to say that "If I were Aung San Suji Kyi, I think I'd rather be behind a fence and be a symbol than after two or three years be found impotent.

He also warned the Western countries. "But you just can't squeeze that country and then collapse it like Bosnia — into five or six pieces — when it breaks up, please don't walk away from it."

Some American Congressmen are in the habit of introducing bills to impose economic sanctions on Myanmar Naing-Ngan whenever they thought of it, but it was only to satiate themselves. When the Congress adjourned, they usually went into the warehouse of papers. Yet, the VOA and the BBC made broadcasts of those bills to sound as if the people of Myanmar would go starving tomorrow or the day after. They are just haggling to thrust Myanmar Naing-Ngan into Aung San Suu Kyi's hands.

Aung San Suu Kyi lived happily abroad for 28 whole years. No matter how her mother asked her to come back and live Myanmar-Naing Ngan, she did not. As her mother had feared, she married a foreigner. During the four-eights disturbances, she was directed by American Congressman (ex) Solarz. The directive was for making demands, causing disturbances and demonstration till they got the interim government. After that, too, she had always been in contact with unscrupulous diplomats who did not live up to norms of diplomacy. They hosted breakfasts, luncheons and dinners for her. In truth, her going to these diplomats was to get instructions from them on future action. The leadership of the National League for Democracy were ones depending too much on foreign elements. They knew it would not be easy to get power by themselves. That is why they are relying on the big cranes that would lift them up.

The State Law and Order Restoration Council had once sent a top secret letter to the Central Executive Committee of NLD [National League for Democracy] HQ. Within the hour, that letter got to embassies of the Western countries, with resultant problems. U Chit Khang, U Kyi Maung and Ma Thanegi became the main culprits.

On 9-9-89 the Secretary of the State Law and Order Restoration Council held a special Press conference about traitorous axe-handles in the country and those who preferred hilts of swords from abroad. The details of revelations there were published by the News and Periodicals Enterprise on 12-10-89. It exposed how the meddling diplomats who violated norms of diplomacy interfered in internal affairs of Myanmar, How U Ye Htoon who perpetrated destruction in the country contacted expatriate Zarli Maw making use of special diplomatic communications facilities of a big embassy, how some diplomats were providing financial and other assistance to those who would rebel against Myanmar (NaWaTa) government, how Bohmu Aung of De Nyein group wrote to Indian Minister Rajiv Gandhi and asked for military assistance to rebel against Myanmar government (NaWaTa), how on 30-12-88 NLD HQ Chairman Thura U Tin Oo wrote to Indian External Affairs Minister and urged him to oppose the Myanmar government, how on 13-2-89 Thura U Tin Oo wrote to the Thai Foreign Minister and demanded of him not to send back students who went underground, and how on that same date U Tin Oo wrote to the US Secretary of State, complaining about Thai repatriation of Myanmar students, and expressing gratitude for the American government's allegations of NaWaTa as violater of human rights.

That publication also exposed by means of documentary evidences of the originals, how Aung San Suu Kyi, too, on 16-10-88, wrote to the Secretary-General of Amnesty International and requested him to strive to get all world nations to focus their attention on the Myanmar government (NaWaTa) violating human rights, and how on 26-9- 88, Aung San Suu Kyi wrote to an Ambassador and made an exhortation to submit to the United Nations that the NaWaTa was violating human rights, and how on 24-9-88 Aung San Suu Kyi wrote to the Secretary-General of Amnesty International, Ian Martin, exhorting him to disparage the NaWaTa at the United Nations and contact all governments. It also showed how diplomats had carried correspondence from expatriates.

Aung San Suu Kyi is also having to follow instructions sent via husband Michael Aris and two sons—instructions from higher masters. Madeleine Albright, US Ambassador to UN, who visited Myanmar on her way back from the Conference on Women in Beijing, had breakfast together with Aung San Suu Kyi at the latter's home. In the tete-a-tete on the banks of Inya Lake, gave the instruction for NLD representatives to walk out of the National Convention. Amid protest, Aung San Suu Kyi doggedly carried out the West directive for the pull-out.

She has also been receiving instructions from diplomats foreign correspondents, Central Intelligence Agency (CIA) disguised as correspondents for long. It is certain that she is a representative of foreign-dominated elements carrying out the dictates of the mentors from the West with unreasoning dedication .

Burma: Another NLD Member Resigns as Elected Representative

BK2506012196 Rangoon Radio Myanmar in Burmese 1330 GMT 24 Jun 96

[FBIS Translated Text] U Soe Maung from the National League for Democracy [NLD], who was elected as People's Assembly representative from Pyu Township Constituency-2, Pegu Division, has submitted his resignation of his own volition to withdraw as an elected representative for health reasons. The Multiparty Democratic General Election Commission has accepted his resignation effective today in accordance with Section 11, Subsection E of the People's Assembly Election Law.

Burma: May Clash Between SLORC Troops, Rebels Reported

BK2206122096 (Internet) BurmaNet News in English 19 Jun 96

[SHAN HERALD AGENCY NEWS report dated 6 June]

[FBIS Transcribed Text] On 30.05.96, SLORC [State Law and Order Restoration Council] No. 516 LIB [Light Infantry Battalion] and 247 LIB and Karenni or Kayan (Padaung) troops (said to be wearing badges depicting buffalo and gourd; some wore ear-rings; all spoke Kayan and Burmese, no one spoke Shan), 500-600 strong, clashed at a place east of Taunggyi on the Taunggyi-Kengtung motor road. It lasted more than 6 hours and both sides suffered heavy casualties. This Karenni (Kayan or Padaung) group had gone up to northern Shan State just after the surrender of the MTA [Mong Tai Army] to the SLORC. It is speculated that they had gone up to meet the leaders of SSNA- SURA [Shan State National Army-Shan United Revolutionary Army] for mutual understanding, mutual assistance and cooperation.

The SLORC army got the news about their return heading south towards the Shan-Karenni border, and lay in wait for them at the road section where they were supposed to cross. But, at the end of the 6 hour-clash, the Kayan managed to pierce through the Burmese blockade and continued south. They were said to be in the Loi Lai range area northwest of Mong Pan, preparing to continue south, in early May. The Burmese were also trying to pursue them and block their way from many different directions.

The SLORC army has launched an operation to chase and mop up some remaining resistance forces in southern and central Shan State and during the time from early Feb. to mid April had suffered heavy casualties in numerous skirmishes with this Kayan group and the SURA group, led by Maj. Yord Serk, who had broken away from the MTA and still refuses to surrender, it is said.

Burma: Norwegian Diplomat Visits Suu Kyi To 'Show Concern'

BK2506045796 Hong Kong AFP in English 0438 GMT 25 Jun 96

[FBIS Transcribed Text] Singapore, June 25 (AFP) — A Norwegian envoy met Burmese opposition leader Aung San Suu Kyi at the weekend to express support and show concern over developments in the country, diplomatic sources said here Tuesday.

But Anne Thalman, charge d'affaires of the Norwegian embassy in Singapore, which covers Burma, was unable to meet any military junta official before returning Monday, said a diplomat who spoke on condition of anonymity.

Thalman's meeting with Aung San Suu Kyi was intended to "show concern on the Norwegian side" about developments in Burma, the diplomat said.

"Everything turned out calm. She had a short meeting with her," he said. "It was a (gesture of) support for her naturally."

Asked if political asylum for Aung San Suu Kyi was raised, the diplomat said the issue "wasn't even discussed at all."

Thalman was sent to Rangoon in a bid to press officials of the junta, known as the State Law and Order Restoration Council (SLORC), not to rearrest Aung San Suu Kyi or curtail her party's activities.

The mission was complicated by the death of James Leander Nichols, Norway's former honorary consul in Burma and a close family friend of Aung San Suu Kyi. He died on Saturday after apparently suffering a stroke in a Rangoon prison.

Nichols, an Anglo-Burmese businessman who also served as honorary consul for Denmark, Finland and Switzerland, was arrested in April and jailed for three years for violating laws restricting the use of fax machines and telephone lines.

Before leaving Rangoon, Thalman met a number of associates of Nichols but was unable to meet any official from the Burmese junta, according to the diplomatic sources.

A remembrance service for Nichols is expected to take place this weekend in Rangoon and the Norwegian embassy in Singapore "would like to be represented" by Thalman or another envoy, they added.

Family sources said Nichols died in a hospital after suffering a stroke in his prison cell where he was found unconscious on Saturday.

A spokesman for the Norwegian foreign ministry said in Oslo on Monday that "we have no reason for the time being to suppose that James Leander Nichols died of anything other than natural causes."

But Norway, Finland and Denmark have announced that they will seek more details from Rangoon about Nichols' death.

Norway's decision to send an envoy to Rangoon came amid fears of a new crackdown on Burma's pro-democracy leaders. Aung San Suu Kyi was under house arrest for six years until July 1995.

More than 260 members of her National League for Democracy (NLD) were detained ahead of a party congress held in May. Over 150 have been released so far by the junta.

The junta this month announced a new law authorizing the Home Ministry to outlaw any party drafting an alternative constitution or conducting any activity which "adversely affects the national interest."

But some 5,000 supporters of Aung San Suu Kyi defied the junta turned up outside the home of the Nobel Peace Prize winner on Sunday to attend one of her weekend public meetings.

[In a related report at 0445 GMT, datelined Bangkok, AFP adds: "Switzerland has asked Burma for a full medical report on the death in Insein Prison this weekend of its consular correspondent in Rangoon, Ambassador Blaise Godet said Tuesday."]

Burma: Government Troops in 'Fierce Battle' With Karenni Group

BK2406040996 Bangkok THAILAND TIMES in English 24 Jun 96 p A3

[Unattributed report]

[FBIS Transcribed Text] Mae Hong Son — Burmese government troops clashed with rebel Karenni group, killing one rebel soldier dead during a five-hour fierce battle on Thai-Burmese border, opposite Mae Hong Son province, a military source said yesterday.

Hundreds of Karenni refugees crossed border and fled to Ban Nai Soi village of Pang Mu sub-district in Mae Hong Son province to escape the war inside Burma.

Reports from rebel sources said Karenni people in some 20 villagers had faced forced relocation by the government troops to an inner town in a move to cut local support to the rebel group, the Karenni National Progressive Party (KNPP).

More than 1,000 Karenni refugees have crossed into Thailand since the forced relocation, sources said.

The military source said Burma had sent around 300 soldiers from the 55th Division, Doi Gho district of the Thai-Burmese border for reinforcement.

The clash area is located to the south of Ban Thanakhaui in Burma, which is about 10 kilometer far from the Thai-Burmese border.

At present, over 2,000 Burmese refugees are being taken care by Thai officials in villages of Ban Nai Soi, Ban Mai, Ban Pang Tractor, Ban Pangkhaui and Ban Mai Pang Pung inside Thailand with the help of foreign humanitarian organizations.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Minister Rejects Karadzic Candidacy in Bosnian Polls

BK2506115496 Kuala Lumpur NEW STRAITS TIMES in English 24 Jun 96 p 8

[Unattributed report]

[FBIS Transcribed Excerpt] Kepala Batas, Sun. [23 June] — Indicted war criminal Radovan Karadzic should not be allowed to stand in the proposed elections in Bosnia-Herzegovina, Foreign Minister Datuk Abdullah Ahmad Badawi said today.

He said Karadzic's participation in the elections, planned for Sept 14, would create unnecessary problems and "would have a very bad effect on the process (elections)".

"I think the Serbs or those representing the party should not consider nominating Karadzic to be an MP.

"They must understand and recognise that there was a very clear decision of the council [not further specified] for the implementation of the Dayton peace accord which met in Florence recently," he told reporters.

Abdullah was asked to comment on a news report stating Karadzic's Serb Democratic Party plans to nominate the war criminal to run for the presidency of Republika Srpska, the Bosnian Serb entity.

He said: "Indicted war criminals like Karadzic should not be allowed to participate in the elections. This is the point which had been discussed very intensively at the conference and there was unanimity that he should not be allowed to participate (in the election)."

I hope the Serb party will take this into account, recognise it and try not to do anything that will jeopardise the success of the proposed elections, he added.

Under the Bosnia peace accord, Karadzic cannot run for office in the elections and signatories of the pact (Dayton peace accord) must turn over for prosecution all indicted war criminals on their territory.

The US has already considered Karadzic's nomination as null and void and a violation of the Dayton peace accord. [passage omitted]

Malaysia: Turkey 'Keen' To Forge Closer Military Cooperation

BK2606124996 Kuala Lumpur NEW STRAITS TIMES in English 25 Jun 96 p 4

[Unattributed report]

[FBIS Transcribed Text] Kuala Lumpur, Mon. [24 June] — Turkey is keen on forging closer military co-operation with Malaysia, Defence Minister Datuk Syed Hamid Albar said today.

"Turkey wants to sign a military co-operation agreement with Malaysia and we are awaiting the draft of the agreement," he said.

Two areas of co-operation would be arms purchases and mutual transfer of defence technology, he said, adding the Cabinet would have to approve such agreements.

Syed Hamid told this to reporters after meeting his Turkish counterpart, Oltan Sungurlu, at Wisma Pertahanan [Ministry of Defense] in Jalan [Road] Padang Tembak.

Also present were Armed Forces chief Jen [General] Tan Sri Ismail Omar and Royal Malaysian Navy chief Laksamana Madya [Vice Admiral] Datuk Ahmad Ramli Mohd Nor.

Among the defence equipment Turkey wished to sell to Malaysia are electronic warfare equipment and radars.

Syed Hamid said although most of the equipment had been developed under licence from their principal companies especially American defence firms, he did not expect opposition to such sales to Malaysia.

"Over the years, the Turks have required their own expertise and capabilities to develop local defence products. I don't think there will be objections from the licensors," he said.

Syed Hamid, meanwhile said he would meet directors of Perwira Niaga Malaysia [defense equipment manufacturer] on its services.

"I understand there have been a number of complaints from servicemen that the goods sold are inferior in quality and expensive," he said.

Malaysia: Marine Police Seize Huge Cache of Explosives

BK2606103396 Kuala Lumpur BERITA HARIAN in Malay 26 Jun 96 p 7

[Unattributed report]

[FBIS Translated Excerpt] Semporna, Tuesday [25 June] — The marine police have seized 59,900 units of explosive substances for the production of bombs for fishing from a small vessel and detained two foreigners in the waters near Omadal Island near here today.

The explosive substances seized were discovered hidden in nine big boxes and a bag in the small vessel by a marine police team while conducting a patrol in the waters at approximately 12.45 pm.

Further inspection revealed that the substances were found packed in 599 small boxes which contained 100 explosive devices in each box. It was believed that the substances were meant to be sold to fishermen operating in the area.

The value of the seized explosive substances was estimated at a total of RM [Malaysian ringgit] 119,800. The black market price of the substances is normally RM2 per unit.

In its early investigation, the police did not deny the possibility of the explosive substances being snuggled into the area from a neighboring country. [passage omitted]

Malaysia: Relaxation of Controls Aids Fuels Industry

MS2506104796 London FINANCIAL TIMES in English 25 Jun 96 p 29

[Report by Mark Ashurst: "Petronas Taps Potential of Sanction-Free S. Africa": report is accompanied by a graph]

[FBIS Transcribed Text] The acquisition by Petronas, the state- owned Malaysian oil and gas company, of a 30 per cent stake in Engen, the South African oil refiner and retailer, was an unexpected omen for a liquid fuels industry on the brink of radical change.

"It is hard to find any part of the oil business where bigger is not better," said Mr Jacques Piccard at broker Smith Borkum Hare in Johannesburg.

South Africa has seven domestic oil companies, giving it the highest concentration by market size in the world, and there is clear scope for economies of scale. Until now, retail petrol prices and profit margins have been set by the state-run Central Energy Fund, which managed the nation's fuel reserves during the sanctions era.

The relaxation of controls on crude oil imports last year was widely seen as the first step in the creation of a more competitive industry. The Petronas deal, believed to be the largest single foreign capital investment in South African history, is the latest evidence of restructuring in the local economy. When Engen stock resumed trading last week, analysts found it hard to predict the impact of the R1.9bn [South African Rand] ($435.3m) transaction on an industry-braced for deregulation. "Petronas have got a good asset and for them it is a great geographic ploy, but they have not gone into much detail on synergies," said Mr Piccard.

Petronas, which will become Engen's largest shareholder, will pay a premium of 35 per cent on the closing price of R26 a share on June 11 when Engen's shares were suspended. The transaction involves a general ex-rights offer to all existing shareholders, and a R605m rights issue by Engen. Significantly, the balance will be made up by a direct transfer — to Petronas from Sanlam, the insurance group, and Rembrandt, the tobacco and luxury goods group, which together hold 30 per cent.

Negotiations with those two institutions "almost sunk the deal" at the last minute, according to Petronas advisers, and it took an all-night negotiating session before agreement was reached.

Mr Marinus Daling, Saulam chairman, expects his group to be left with a 15-20 per cent stake on completion. "We are looking for a smaller stake in a new operation — a normal portfolio investment. Criticism that local conglomerates will not let foreigners into the economy is simply not true," he said.

Engen will not disclose its plans for the R605m cash injection, but it will reduce the gearing on its R1.1bn debt from 27 per cent to 12.5 per cent.

The logic of co-operation around the Indian Ocean rim, where Petronas has a fledgling distribution network in the Seychelles and Engen is building an export market in Mauritius, is compelling.

Petronas's strength as a significant oil trader should help guarantee Engen a stable supply of crude and strengthen the negotiating position of both groups in the international market. "There are terrific opportunities for crude procurement and trading," says Mr Rob Angel, Engen chief executive.

The real benefits of the deal will take time to emerge. Engen leads the South African retail market with a 24 per cent share, but has lost ground from its peak of 26 per cent. Its unlisted competitors, notably Shell and BP [British Petroleum], have exploited the marketing and refining expertise of their international parents to gain market shares of 20 per cent and 17 per cent respectively.

"Without an international partner, there would have been a good short-term return on Engen but its long-term viability was suspect," says Mr Piccard.

Talks on a merger with Sasol, the synthetic fuel producer that manufactures oil from coal, are likely to resume in the near future. In a deregulated market, Sasol will face increasingly competitive supplies of imported crude. A merger with Engen would increase its share of the retail market from 7 per cent to a combined 31 per cent, with scope for improved efficiencies at Engen's refinery.

Previous talks were curtailed by a dispute between Sasol and Total over a joint refining venture. That issue has been resolved and Engen can return to the bargaining table, strengthened with its new Petronas shareholding.

There is scope, too, for technical improvements at Engen's refinery. South Africa was one of the world's four fastest growing energy markets in 1995. Demand for liquid fuel is growing at 1.5 times GDP and will exceed current capacity by 2000.

Further synergies are possible in the upstream business where Engen has a 60 per cent stake in its recently listed subsidiary Energy Africa, which has extensive prospecting rights to oil and gas fields.

Mr Dato Hassan Marican, Petronas chief executive describes the investment as "not just a corporate deal" but "a partnership and a commitment to the entire continent of Africa".

His claim lends substance to the argument of many South African politicians that the country needs to refashion its economic allegiance with Europe, a relationship which dates from the colonial era and develop closer ties with the tiger economies of southeast Asia.

It is also ironic that the Petronas investment is likely to scupper Pretoria's plans to merge its assets into an integrated, state-owned oil and gas company.

Singapore

Singapore: Editorial Views U.S. 'Barefaced Bullying' at UN

BK2606092396 Singapore BUSINESS TIMES in English 26 Jun 96

[Editorial: "A Convenient Scapegoat for Clinton?"]

[FBIS Transcribed Text] It is nothing short of chutzpah for U.S. President Bill Clinton to fight his domestic electoral battle by dictating who should be United Nations secretary general, while his government makes not the least attempt to pay its whopping $2.2 billion debt that has pushed the world body to the brink of bankruptcy.

The reasons for this barefaced bullying are obvious. The Americans have been intolerant of the UN ever since the sixties when an influx of Afro-Asian members meant that the General Assembly was no longer wholly subservient to Western foreign policy objectives. In recent years, the United States has found a convenient scapegoat for the Clinton administration's global bungling in UN Secretary General Butrus Butrus-Ghali, laying all the blame on him for the disastrous American mission to Somalia, and for the U.S. failure to resist European and Russian pressure over the arms ban imposed on all the former Yugoslav republics.

Even more compelling are the exigencies of the Nov. 5 presidential election: The Republican Party, which now controls Congress, has always resented the 185-member world body as representing what it denounces as the "tyranny of the majority." Apparently, Mr. Clinton would have preferred to defer a decision on Mr. Boutros-Ghali's second term till September. But he chose not to stand up to Republican challenger Bob Dole who thunders against United States' "over-reliance on the UN" and who threatens to undermine the world body's authority by announcing that if American troops are to participate in peacekeeping missions, the decision should be the U.S. president's, and not Mr. Boutros-Ghali's.

By swallowing the Republican position hook, line, and sinker, Mr. Clinton has allowed his opponents to broadcast gleefully that it is Mr. Dole who "governs on the campaign trail." But this does not seem to bother a White House that n???nH?repared to provoke an international row in its strenuous efforts to undercut Mr. Dole. None of this, however, means that Mr. Butrus-Ghali's tenure has been outstanding. The financial mess in which a bloated and top-heavy UN finds itself is not, of course, his fault, since the staff — and arrears — have been piling up for many years. But the end of the Cold War presented the UN with a unique opportunity, if not to usher in the new world order (of which former U.S. President George Bush spoke so frequently and so grandly), at least of trying to create an international regime that would go beyond averting conflict.

Cutting UN costs [subhead]

Again, Mr. Butrus-Ghali cannot be blamed, for the UN is only as effective as its members wish it to be. But though he is reputed to be a brilliant intellectual and an expert on North-South relations, with experience of sensitive diplomacy as former Egyptian President Anwar Sadat's aide in establishing ties with Israel and negotiating the Camp David accords, Mr. Butrus-Ghali has given little evidence of the vision and drive that alone can save the UN at this critical juncture.

Whether another incumbent would fare better is a moot point. The real need is to overhaul the UN to make the Security Council more representative, cut costs, and discipline defaulters. There is no reason why this cannot be started during the second term that all secretaries general take for granted. Nor is it certain that the Republicans would agree to pay what the United States owes even if reforms are undertaken and Mr. Butrus-Ghali does not stand for re- election. It is this that makes the U.S. position so objectionable. The European Union gave in last year by agreeing to an abbreviated term for Organization for Economic Cooperation and Development Secretary General Jean-Claude Paye. If it does so again, the Americans will be convinced that they can always get away with calling the tune without paying the piper.

Cambodia

Cambodia: Minister Cites Agreements Signed With Thailand

BK2206120996 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 22 Jun 96 pp 1, 11

[Report by Dararit]

[FBIS Translated Text] During their two-day visit to the Kingdom of Cambodia [KoC] on 20-21 June, Thai Prime Minister Banhan Sinlapa- acha and a high-ranking Thai Government delegation signed a memorandum and three economic-trade agreements with the Royal Government of Cambodia [RGC].

Sok An, co-minister of the Council of Ministers Office, said that a memorandum signed between the two samdech prime ministers— Samdech Krompreah Norodom Ranariddh, first prime minister, and Samdech Hun Sen, second prime minister—and Thai Prime Minister Banhan Sinlapa-acha was on the agreement between the two governments on the process to build a dike along the border of the two countries to Stoeng Me Toek.

The second agreement on Thai-Cambodian trade was signed between Amnuai Wirawan, deputy prime minister and foreign minister of Thailand, and Trade Minister Cham Prasit.

The third agreement was on financial cooperation and was signed by Keat Chhon, state minister and minister of economy and finance, and Thai Finance Minister Bodi Chunnanon.

The fourth document was the contract extension agreement between Thailand's Samat Corporation and the Ministry of Posts and Telecommunications, which was signed between So Khun, state secretary for posts and telecommunications, and Samat Corporation executive director (?Charoenrat).

Sok An said that the four agreements are important to the KoC's economic development. He added that there are a number of other important agreements that the two sides have already discussed and that might be signed later, such as an agreement on the official opening of border passes along the Thai border. Another important document that the RGC has already signed with the Thai side and is pending approval by the National Assembly is an agreement on the protection and promotion of Thai investment.

During their negotiations, the two parties also discussed further the overlapping zone in the territorial waters of the two countries; they decided to follow the same formula for a solution to the dispute that Thailand had reached with Malaysia over their overlapping zone. They also discussed the exportation of logs from Cambodia. The joint committees along the border are to examine whether the logs are taken out legally, in order to prevent the smuggling of illegal logs along the Cambodian-Thai border.

The Thai prime minister also revealed that Thailand has provided Cambodia with various kinds of aid worth 200 million baht in 1996 and that the Royal Thai Government has decided to return to Cambodia 12 Cambodian ancient objects that were smuggled into Thailand.

Cambodia: Khmer Rouge Condemns Puppets' Nationality Law

BK2606143496 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 25 Jun 96

[Communique issued by the spokesman of the Ministry of Immigration of the Provisional Government of National Union and National Salvation on 25 June; place not given — read by announcer]

[FBIS Translated Text] 1. It was reported that the two heads have just approved a nationality law. This nationality law allows all Vietnamese in Cambodia to hold Cambodian nationality in order to annex Cambodia. This law also sells out the Cambodian nationality to the unscrupulous foreign merchants for them to plunder Cambodian people's land and the Cambodian nation's natural resources even more extensively.

2. It should be recalled that a few months ago, while the Cambodian nation and its people were demanding the expulsion of the nearly 5 million Vietnamese settlers in Cambodia, puppet Hun Sen, cheap lackey of communist Vietnam, arrogantly declared that he would withdraw Cambodian nationality from all the Cambodian compatriots returning from abroad and remove them from posts in the National Assembly, government, and ministries. He has used this matter as a barter for the presence of the Vietnamese settlers in Cambodia. Our compatriots argued that as a traitor and nation- selling bandit, he had no right to manipulate the Cambodian people's nationality, that it was he who should lose his Cambodian nationality, and that the list of traitors serving as Vietnamese puppets begins with Hun Sen, Chea Sim, Sar Kheng, Heng Samrin, and Tie Banh.

3. The Cambodian nation and people and the Provisional Government of National Union and National Salvation [PGNUNS] have already rejected and condemned this traitorous nationality law of the two heads. Again, the Cambodian nation and people and the PGNUNS vehemently reject and strongly condemn their traitorous nationality law to cheaply sell out our nation to communist Vietnam and unscrupulous foreign merchants.

4. In contrast to the two heads' traitorous and nation-selling nationality law, the Cambodian nation and people have seen more clearly that the nationality law and the law on the immigrants in Cambodia drafted by the PGNUNS are very correct and patriotic.

Basing these laws drafted by the PGNUNS and on their precious and rich experiences, the Cambodian nation and people, together with the PGNUNS, will continue struggling vigorously against communist Vietnam's demographical war according to the concrete situation and conditions in each locality.

5. The communist Vietnamese sent Vietnamese nationals into our country through war that they and the villainous Western alliance have continued kindling in a most cruel and barbarous manner.

The PGNUNS and the Cambodian nation and people pledge to continue struggling jointly to end their war quickly. They want to realize genuine peace and genuine national reconciliation and rally all national forces to resolve all big and small national problems, including this problem of Vietnamese settlers.

[Dated] 25 June 1996

[Signed] The PGNUNS spokesman

Cambodia: Offical Denies Sam Rangsi's Opposition Party 'Banned'

BK2606034596 Hong Kong AFP in English 0253 GMT 26 Jun 96

[FBIS Transcribed Text] Phnom Penh, June 26 (AFP) — The Cambodian government on Wednesday took issue with reports describing the opposition political party led by dissident Sam Rangsi as "banned", saying the party was unrecognized under current laws but was allowed to operate.

Khieu Kanharit, secretary of state for the Information Ministry, made the comments concerning Sam Rangsi's Khmer Nation Party (KNP) in a letter published in the Cambodia Daily newspaper.

"I would like to categorically deny that there is a ban on the party or its legitimate activity," he wrote. "Cambodian citizens have the right to form political parties and take part in political activities in the Kingdom."

He said the KNP faced complications in winning government recognition because of "the inadequacy of existing laws" but said the problem was "being remedied by the authorities."

But until the situation is cleared up, the KNP and other new political parties "may be formed and political activities carried out," he said.

He added though that the parties "will have to be registered when new laws are ready and operate within these laws."

It was not clear whether this apparently new policy countermands orders from the Ministry of Interior and Council of Ministers that the KNP, founded in November, 1995, close its Phnom Penh headquarters and be denied permission to open branch offices.

Those orders were issued shortly after the party was founded but since then a number of senior government officials, including co- Premier Hun Sen, have hinted that the party can remain open.

In May, the KNP, which had been operating in defiance of the original orders anyway, began to open branch offices.

But confusion over the government's stance on the KNP has led to several confrontations with provincial authorities, including two in which police fired warning shots to prevent party workers from erecting signs outside of new offices.

The KNP accused the government of intimidation and harrassment, but Khieu Kanharit told AFP Tuesday that incidents such as those could have been avoided if the party had given the local authorities sufficient notice of its plans.

"If they want to open new branches, they have to inform the authorities well in advance," Khieu Kanharit said. "They did not do that."

In his letter, Khieu Kanharit said advance notice was necessary "to enable the public officials to understand that legitimate activites are being carried out and (so) they can also assist in crowd control and security.

"This is essential because the Kingdom is still not at complete peace and security measures are needed to protect the people.

Indonesia

Indonesia: PDI Chiefs Dare Government To Rule on Faction Legality

BK2606103896 Hong Kong AFP in English 0901 GMT 26 Jun 96

[FBIS Transcribed Text] JAKARTA, June 6 AFP) — The heads of the opposition Indonesian Democracy Party (PDI) challenged the government Wednesday to vet the legality of a rebel party faction they say has been backed by government ministers.

Government and military officials backed a breakaway PDI congress which last week selected a new party leadership headed by Deputy House Speaker Suryadi (Eds: one name) to replace Megawati Sukarnoputri, the daughter of Indonesia's charismatic founding president, Sukarno.

"We are calling on the government, especially the home minister, to take the initiative, together with us, to set up an independent team to verify all the available information," PDI Secretary General Alexander Litaay told AFP.

"Let us examine the facts and figures, so that the government retains its authority," he said, calling on the panel to study documents related with the plan and execution of a breakaway congress "to see whether it is legal or not. "

He suggested the team include members of independent institutions such as the National Human Rights Commission and public figures of known integrity.

Loyalists to party leader Megawati Sukarnoputri, whose authority has been challenged by the splinter faction, have labelled the congress "illegal and unconstitutional" and refuse to recognise its results.

The Megawati faction has also accused high-ranking government members and military officers of participating in the congress and its planning.

Home Affairs Minister Yogie Suardi Memed, who opened and closed the congress, says the government only recognises the PDI leadership yielded by the congress.

Memed's statement was also echoed by military leaders, including military chief General Feisal Tanjung.

Megawati has said that many of the documents used by the splinter faction to justify the congress were full of "falsehood and lies" and were not issued through correct party procedures.

"The legality of the congress cannot be determined unilaterally by the government by relying solely on its power," Litaay said.

Megawati, seen as a potential candidate to Suharto in the 1998 presidential elections, has also said that her camp plans to bring the home affairs minister and the police chief to court for allowing the congress to take place.

Her allies have also vowed to take the congress' organisers to court.

Litaay said that as the legal party leadership, his camp had the rights to use the party's headquarters and did not intend to give way to the leadership thrown up by the rebels.

He also criticised Tanjung's statement on Wednesday that no permit will be issued for the holding of PDI meetings at provincial and district level as called for by Megawati in a bid to obtain "consolidation and a crystalisation of leadership."

This was a civilian matter and was the affair of the home minister, not a military chief, he said.

Hundreds of party members and supporters Thursday continued to gather at the PDI headquarters in a show of support for Megawati.

About 200 people who planned to drive on motorcycles in a protest to the parliament were unable to leave the headquarters, as they were blocked by a multilayer cordon of anti-riot police.

Indonesia Welcomes Withdrawal of Australian Envoy's Nomination

LD2106110796 Melbourne Radio Australia in English 1000 GMT 21 Jun 96

[FBIS Transcribed Excerpt] Indonesia has welcomed the decision by Australia to withdraw the nomination of the new ambassador to Jakarta amid controversy over comments seen as hostile to President Suharto. An Indonesian Foreign Ministry spokesman said the withdrawal of senior career diplomat Miles Kupa was the best possible outcome under the circumstances. The reaction followed the announcement in Australia that the nomination of Mr. Kupa was withdrawn at his request. [passage omitted]

Indonesia: Army's Special Force Reorganization Begins

BK2606093796 Jakarta THE JAKARTA POST in English 26 Jun 96 p 1

[Unattributed report]

[FBIS Transcribed Excerpt] Jakarta (JP) — The long-awaited reorganization of the Army's Special Force (Kopassus) began yesterday with the announcement that its size is being enlarged and its weaponry modernized.

The force, which has an impressive record of putting down rebellions and of countering insurgency and terrorism, is being expanded from four to five groups, one of which will focus on counter-terrorism, and its size expanded from 6,000 to 10,000 troopers.

Brig. Gen. Prabowo Subianto, its current commandant, is likely to retain his job at the head of the force, with a new title: commandant-general. His new position is subject to confirmation from President Suharto, the supreme commander of the Armed Forces, and Prabowo's father-in-law.

Army Chief of Staff Gen. Hartono, who led the announcement ceremony at Kopassus' Cijantung headquarters in East Jakarta yesterday, declined to confirm Prabowo's promotion.

But he did not quash the rumor either.

"Looking at his performance, what do you think of the probability?" he asked back when reporters chased him for confirmation. "If you think he (Prabowo) deserves the post, then I think so too," he said.

"We are awaiting a presidential decree on who will lead Kopassus. We hope it will be issued soon," he added.

So likely is Prabowo's new appointment that many people, including Hartono in his speech, addressed him as the commandant- general during the ceremony yesterday.

Prabowo, a 1974 graduate of the National Military Academy, is expected to be promoted soon given that the commandant-general is reserved for a major general. Should that happen, this will be his second promotion in seven months.

He was promoted to his current rank last December when he assumed the Kopassus' leadership, becoming the first among his Class of 1974 to reach the rank of general. [passage omitted]

Before the reorganization, the force was divided into three groups plus the Detachment '81 considered the most elite unit. Now Kopassus consists of five groups: two for combat operations, one for education and training, one for intelligence operations, and one for anti-terrorist operations.

Combat I [Roman One] group, which is based in Serang, West Java, is headed by Col. Syaiful Rizal; Combat II, based in Kartasuro near Surakarta, Central Java, is headed by Col. Slamat Sidabutar; Group III dealing with education and training, based in Batu Jajar near Garut in West Java, is headed by Col. Harry Pysand; Group IV for intelligence operations is headed by Lt. Col. Ch. A. Irawan; and Group V for anti-terrorist operations is commanded by Col. Zamroni. Both Group IV and V are based in Cijantung, East Jakarta. [passage omitted]

Indonesia: Military Daily Hails Results of Splinter PDI Congress

BK2506113496 Jakarta ANGKATAN BERSENJATA in Indonesian 24 Jun 96 p 4

[Editorial: "The Indonesian Democratic Party Will Hopefully Become a Party of Cadres"]

[FBIS Translated Text] Home Affairs Minister Yogie Suardi Memed as the patron of domestic politics opened the Indonesian Democratic Party [PDI] congress in Medan last Thursday to settle the party's internal problems.

The PDI was established in 1973 as a fusion of five political parties — the PNI [Indonesian National Party], the IPKI [Association of the Defenders of Indonesian Independence], Murba [Troskiyite Party], the Catholic Party, and the Indonesian Christian Party. It has been plagued with internal problems because the fusion is not yet final. Notably, the formation of a central executive council becomes a problem every time a party congress is held. The party has to seek assistance from the home affairs minister as the patron of domestic politics to settle it.

There were different opinions and interests among members of the PDI Central Executive Council before the Medan congress. Some were in favor of the congress, while others were against it. The government endorsed the congress because the majority of members of the PDI Central Executive Council, provincial executive councils, and branch executive councils supported it and its convening conformed with the PDI Constitution and bylaws.

Thanks to tight security, the congress proceeded smoothly. Last Friday, Suryadi, a deputy speaker of the House of Representatives, was unanimously elected as general chairman of the PDI Central Executive Council for the 1996-98 term. The election of Suryadi, who was general chairman of the Central Executive Council from 1983 to 1993, was certainly attributed to his wide experience in leading party and his success in giving it 17 more parliamentary seats during the 1992 general election. The congress also elected the party secretary general, who could cooperate with the general chairman of the PDI Central Executive Council, as well as the PDI Central Executive Council for the 1996-98 term.

Addressing the congress after it was opened by the home affairs minister last Thursday, Armed Forces Commander General Feisal Tanjung said the strength of a party in Indonesia is not based on mass support but rather on high-quality cadres. According to Law No. 3/1985, the success of a party is not measured by its ability to gather the masses but rather by its ability to assemble high-quality cadres. The armed forces commander also touched on the sociopolitical role of the Armed Forces of the Republic of Indonesia [ABRI]. The ABRI's interest in the affairs of sociopolitical organizations does not amount to interference but solely reflects its desire to harness the national potential, achieve a national vision, and overcome problems detrimental to national stability. This has become the basis of ABRI's support for all constitutional acts, the armed forces commander said.

In accordance with the law, each sociopolitical organization in the country must emphasize the formation of party cadres.

According to the Big Indonesian Language Dictionary, the word "kader [cadre]" has two meanings. First, a "kader" is an officer or noncommissioned officer in the military. Second, a "kader" is a person who is expected to hold an important post in government or in a party. "Pengaderan" is the training or formation of a cadre.

Indeed, the issue is how to assemble high-quality, loyal, dedicated party cadres to contribute to the progress of political parties and the unitary Republic of Indonesia which is based on Pancasila ideology and the 1945 Constitution.

The PDI is a national asset. Accordingly, continued squabbling within the party which uses an ox as its symbol has become a national concern.

The PDI Central Executive Council elected at the Medan congress will have to be serious and wise enough to overcome the different opinions and interests.

The best alternative is consultations and consensus, which are the main features of Pancasila Democracy. Perhaps, it was not possible to resort to consultations and consensus to overcome the differences of views and interests prior to the Medan congress, as the time was short.

The PDI Central Executive Council elected at the Medan congress will have to carry out the task openheartedly, wisely, and patiently so that an integrated and united PDI will become a reality.

According to the proverb, if there is a will, there certainly will be a way.

Indonesia: Military Reaffirms Support for Splinter PDI Camp

BK2606071096 Jakarta THE JAKARTA POST in English 26 Jun 96 p 2

[FBIS Transcribed Text] Jakarta (JP) — Chief of the Armed Forces Gen. Feisal Tanjung yesterday reiterated the government's refusal to recognize the executive board of the Indonesian Democratic Party (PDI) led by Megawati Sukarnoputri when he said that no permits would be granted to her supporters wanting to hold local conferences.

"Permits for (branch) conferences will only be granted to the legitimate leadership of Suryadi, who was elected duling the party's congress," Feisal said. He was referring to the government-sponsored rebel congress last week in Medan, North Sumatra, which was held by Suryadi's camp despite protests by Megawati.

Feisal was commenting on the call made by Megawati for all 27 chapters and 306 branches of the party to hold local conferences in order to consolidate and establish a unified stance against the Medan congress.

The party currently has two chiefs, Suryadi and Megawati, with party members and supporters also divided into two camps.

The government and the Armed Forces (ABRI), however, have decided to recognize Suryadi and now consider Megawati the rival leader.

One of the problems that has emerged since the congress is over who has the right to occupy the PDI headquarters Jl. Diponegoro [Diponegoro Avenue], Jakarta. Suryadi has said he would request the help of the army and police to take over the office which is currently being occupied and guarded by Megawati's supporters.

ABRI chief of sociopolitical affairs Lt. Gen. Syarwan Hamid, however, has stated that the most ABRI would do to help realize the take over is to "issue appeals for Megawati to act wisely" on the issue.

Yesterday, Feisal said that the two camps should settle the question between them. "Let the two camps decide who will occupy the headquarters. It is their problem now," he said.

Syarwan agreed. "Let Suryadi settle the problem. It is a challenge for him," he said on a separate occasion.

Meanwhile, displays of support for Megawati continued yesterday. A delegation of representatives from the five PDI's Jakarta branches staged a protest against the congress' result at the House of Representatives.

They demanded that the government invalidate the congress and its result and reaffirm its support for Megawati. The protesters failed to meet House Speaker Wahono who reportedly left the House after they arrived.

In Yogyakarta, some 5,000 Megawati supporters marched along the city streets and made the same demands as their colleagues in Jakarta.

Suprapto, member of the PDI Yogyakarta branch, said his group would bring to account local party members who participated in the congress.

"They told us that they wouldn't go to the congress, but then they betrayed us," he said.

Reports said that none of the congress participants from Yogyakarta dared to return to their homes after attending the congress.

Separately, political observer Riswandha Imawan of Yogyakarta's Gajahmada University said the breakaway's congress did not benefit the nationalist PDI. Instead, it only boosted the position of its two competitors: the ruling Golkar [Functional Group] and the Moslem-based United Development Party.

"The question of the double leadership in the party will probably ruin its preparations for the general election next year, he said. "It's now impossible for PDI to prepare for the general election," he told THE JAKARTA POST yesterday.

Suryadi will have very little time to prepare for the election, as there are still a lot of problems he has to solve, he said.

Riswandha also said the Medan congress was the worst political lesson to have ever happened in Indonesia's political history. "The congress was not the end of the PDI's internal problems. It is part of a new and more violent crisis which may continue to breed from the situation," he said.

Indonesia: Editorial Notes Lessons From Kupa Affair

BK2606133296 Jakarta THE JAKARTA POST in English 26 Jun 96 p 4

[Editorial: "The Miles Kupa Affair"]

[FBIS Transcribed Text] Miles Kupa, a promising Australian diplomat, served as deputy ambassador to Indonesia during the second half of the 1980's. Upon his return to Canberra after completing his term in 1988, he produced a paper which summarized his assessment of the overall Indonesian political situation, including advice on certain lines of action to be taken. The paper, entitled The Little Big Man [title in italics] — referring presumably to President Suharto — was discussed in an internal departmental discussion among senior officials.

In 1992, the Australian media published the paper, or some important parts of it. The main points of Kupa's 1988 political assessment on Indonesia are:

— President Suharto's government was being seriously weakened by unbridled, rampant corruption which had reached serious proportions.

— Consequently, due to the widespread dissatisfaction among the public and within the military establishment, a political upheaval and even a coup d'etat could be expected.

— Given the uncertainties, it was not advisable for Australian companies to invest in Indonesia.

A short-lived public discussion resulted from the publication of some points from Kupa's paper. Prime Minister Keating's government, however, was able to dampen the furor, with assurances that the paper did not carry any official weight and was meant only to stimulate internal discussion.

At this stage of the process, we would like to submit two observations. First: What was the frame of mind among senior officials at the Department of Foreign Affairs and Trade in Canberra when they proposed Kupa's name to Foreign Minister Alexander Downer as the new ambassador to Indonesia? Surely Secretary Philip Flood, as the department's head, was aware of the 1992 episode. Or was it the other way around? Given the publicity which the paper had enjoyed, is it possible Kupa attracted the attention of Foreign

Minister Downer, who named him to fill the Jakarta post, overruling the department's warning it was unwise to propose Kupa as Allan Taylor's replacement?

Second: Why was Kupa's name, processed in the usual manner through established channels within the Indonesian Government, nearly being approved? Perhaps approval was given as a matter of standard operating procedure without consulting the Indonesian Embassy in Canberra about the possible ramifications?

The candidacy was eventually dropped and Kupa issued a statement saying that he did not see himself as having committed any professional wrongdoing. We disagree with him. Based on the essential points of Kupa's paper as published in 1992, we view the paper as having a prankish quality and being void of the incisive insights and the mature geopolitical views of a first-class diplomat. Coming from an Australian diplomat, the paper displays Kupa's apparent lack of concern that Indonesia's capability to overcome its internal problems, as it slowly advances, is essential to Australia's strategic future.

Miles Kupa could have written an assessment of Indonesia's political dynamics and its perceived role in Southeast Asia, approaching the quality of George Kennan's long February 1946 telegram from Moscow, where he served as the U.S. Embassy's second man. That telegram, later widely circulated within the official Washington establishment, was written in response to the U.S. Treasury Department's question about why the Soviet Union decided not to join the World Bank and the International Monetary Fund contrary to their earlier promises. George Kennan analyzed the Soviet Union's post-war strategic intentions and the historical background that underlined those ambitions. He made suggestions on how the U.S. should cope with their new ideological and military opponent. Had Kupa engaged in a similar intellectual exercise in analyzing the underpinnings of President Suharto's New Order, he could have done a good service to Australian-Indonesian bilateral relations.

All this, however, is past. The main lesson that both Canberra and Jakarta must draw from the Miles Kupa affair is not to take their relationship for granted. Every step that is to be taken, every proposal that is to be made in connection to the future of both Indonesia and Australia, must be carefully considered. The interests and the sensitivities of both countries should always be respected and not taken lightly.

In the meantime, it is indeed fortunate that Ambassador Taylor is willing to extend his term until a successor is found. Australia should feel fortunate to have senior ambassadors such as Taylor, who served in difficult posts in Nigeria and Papua New Guinea, and has shown his superb qualities in coping with the expanded bilateral relations during the last few years.

With the upcoming ASEAN Regional Forum (in which Australia is a member) together with Prime Minister John Howard's visit scheduled for early August and the third Indonesia-Australia ministerial forum to take place in October in Jakarta, the presence of an experienced and astute Australian ambassador such as Allan Taylor is very much needed to represent Australia's views and interests.

Indonesia: Editorial Views New Loans From Consultative Group

BK2406075296 Jakarta THE JAKARTA POST in English 22 Jun 96 p 4

[Editorial: "Aid Builds Confidence"]

[FBIS Transcribed Text] As Indonesia's official foreign debt servicing and installment payments have been greater than its annual loan from its creditor consortium, the Consultative Group on Indonesia (CGI), it is easy to get the impression that the government has been forced into a debt trap; borrowing from Peter to repay John.

The latest CGI meeting in Paris pledged US$5.3 billion in new loans on Thursday for the current 1996/1997 fiscal year. It was similar to its commitment last year. The government's foreign debt servicing and installment budget for the same fiscal year, however, is almost $8.5 billion. The official resource flows have also been negative in the previous two fiscal years, amounting to $3.9 billion in 1995/1996 and $3.1 billion in 1994/1995.

The country's large foreign debts have been large indeed, totaling $58.2 billion in official debts and $42 billion in private sector loans. The annual interest and installment payments will continue to increase in the next few years before they start to decline as a result of the accelerated amortization of debt principals. The government has been toying to reduce its debt servicing burdens by prepaying loans which carry high-interest rates. For example, $738 million in high interest loans from the Asian Development Bank and the World Bank were prepaid in fiscal 1995/1996.

The significance of the CGI's aid pledge is, however, much more than its absolute monetary amount. Loans from CGI creditors are long-term debts, maturing up to 25 years. Their interest rates are very low, amounting to less than 3 percent a year for loans extended by sovereign creditors who usually account for more than 50 percent of the total aid committed by the consortium. The government, already bearing a heavy foreign debt burden, cannot borrow much from the market without it adversely affecting Indonesia's external balance.

CGI's aid accounts for about 35 percent of the government's investment. True, the private sector is now responsible for the bulk of national investment, and an increasing portion of public utilities and basic infrastructure have been opened to private investors, but government investment still plays a significant role in human resource development, poverty alleviation, and building basic infrastructure outside Java. The government will remain the leading investor in basic infrastructure in remote areas in the eastern provinces despite the privatization drive because private investors lack interest in those areas.

Of no less importance is the confidence the new aid commitment builds. CGI includes reputable, multilateral institutions such as the World Bank, Asian Development Bank, the International Monetary Fund, and such economic power houses as the U.S., Japan, Germany, Britain, Canada, and several other industrialized nations.

Indonesians credit standing in the international financial market would be devastated if CGI members suddenly or sharply cut their aid.

Hence, the new aid pledge serves as a vote of confidence for the long-term prospects of Indonesia's economy and as a third-party endorsement of the government's macro-economic management. The endorsement is sorely needed now that the government is taking flak for its capricious national car policy and the heavy tariff protection several politically well-connected petrochemical companies enjoy.

Indonesia: Need for Jobs Said To Drive People to GOLKAR

96SE0084A Jakarta KOMPAS in Indonesian 30 May 96

[Received via Internet]

[FBIS Translated Text] Denpasar (KOMPAS)—I Gusti Ketut Gde Adnyana, chairman of the Indonesian Democratic Party (PDI) Faction in the Bali DPRD [Regional Legislature] said that most PDI cadres who recently "jumped the fence" to GOLKAR [Functional Group] did so because of the employment problem. He acknowledged that in Bali there has been job discrimination toward political party cadres.

"In seeking work, especially in applying for government jobs, there has been discrimination against people from the political parties. There has been a trend toward making it difficult for them. That is one reason why they wanted to jump the fence,'" Adnyana told reporters Tuesday, 28 May, in Denpasar.

As is known, 117 families (508 potential voters) from Peguyangan Kangin Village, West Denpasar, not long ago spontaneously declared that they were joining GOLKAR. In fact, two PDI cadres and prominent local community figures, Drs. I Nyoman Nuada and I Wayan Suetja, declared that they were crossing over to GOLKAR. Their crossing over was finalized by their installation last week.

Meanwhile, Ida Bagus Putu Wesnawa, chairman of the PDI DPD [Regional Executive Council] for Bali, said that the PDI is an open party. "That means anyone may join or leave the PDI. It is never a problem," he said.

Test

According to Wesnawa, such moves by cadres will be a test of the maturity of the PDI in the future and will be a reflection of whether the PDI is improving the quality of its cadres.

"This is very positive for the long term, because we will obtain quality cadres. The PDI also does not prohibit differences of opinion. From that, too, we will be able to measure the idealism, dedication, and loyalty of cadres. True PDI cadres will not sell their consciences," he said.

As in indirect result of that incident, Wesnawa said, cadres who truly have quality will gather in the PDI. They will have firm and consistent attitudes and will not be easily enticed by promises offered by other people.

He also claimed that in Bali at present there are more people who join the PDI than those who "sneak out." "PDI membership cards are now very popular," he said.

When asked for confirmation, I Ketut Sundria, chairman of the GOLKAR DPD in Bali, said that the cadres' move to GOLKAR came purely from their consciences. They possibly felt that GOLKAR was truly successful in sensing what they want. "Their move from a political party to GOLKAR was a normal occurrence in the dynamics of politics," Sundria said.

Thailand

Thailand: U.S. Commerce Secretary Kantor's Visit Previewed

BK2606010696 Bangkok THE NATION in English 26 Jun 96 p A4

[Article by Chirawat Na Thalang: "Kantor Visits Asia With New Mission"]

[FBIS Transcribed Text] United States Secretary of Commerce Mickey Kantor will have to prove that he is a good salesman during his first official overseas visit this week. As former U.S. Trade Representative (USTR), Kantor has been widely perceived to be a wily hawk on trade issues and many refer to him as a "bad cop" for his negotiating style, which is quite different from the conciliatory approach practised by his predecessor, the late Ron Brown.

Kantor's decision to lead a trade and economic policy mission to East Asia symbolises his attachment to the region, which he visited several times during his tenure as USTR. While his mission then was to hammer countries in the area to open their markets, he now comes to plead with these counterparts to shift their attention from the dominant Japanese to American investors.

But there are doubts on whether Kantor will be able to succeed with his task of promoting business. And besides, many remember Prime Minister Ryutaro Hashimoto's description of Kantor when the former was still Japan's minister for international trade and industry. "Kantor is scarier than my wife when I come home drunk."

Kantor's trip, which started yesterday with a stop in Seoul, will see him visiting Jakarta and Bangkok. "Mr Kantor is interested to look into future relations with Southeast Asia. He will try to map out a strategy for future cooperation rather than look into the past and talk about problems," said an official at the U.S. embassy's commercial service, who asked not to be named.

Two months ago, President Bill Clinton chose Kantor to succeed Brown, who was killed in a plane crash on his way as leader of a trade mission to Croatia. Being close friends, Kantor and Brown were deeply involved in Clinton's 1992 presidential campaign. Both of them also aspired for the top post in the commerce department. Clinton later made Kantor USTR and named Brown as commerce secretary.

According to another source at the U.S. embassy, the USTR office is basically an enforcement agency. Its mission is take charge of trade negotiations to accomplish U.S. trade policies. It has been able to convince the Japanese to open up their domestic market to American cars, and has constantly prodded China to protect the intellectual property rights of foreign businesses.

The commerce department is more of a trade promotion agency whose building is the second biggest federal office in Washington DC. "The commerce department has huge responsibilities. It is like putting the ministries of commerce, industry and a part of science and technology under one roof," the foreign commercial service official said. The department looks after the interests of U.S. business men by helping them explore business opportunities in other markets.

"I am curious to see how Kantor will play his new role," said former deputy prime minister Suphachai Phanitchaphak, who used to negotiate trade with Kantor. Compared to Ron Brown, who had a playful character, which is necessary for a trade ambassador to succeed, Kantor seems to be serious. But I would say he is a nice guy. At times, Kantor showed me his more humane side," he added.

Suphachai also remembered that Brown liked to make jokes about Kantor. "Once," Suphachai recalled, "Brown said when they were lawyers, Kantor tended to hand over difficult assignments to him, while he did the easy ones. Brown said he evened matters by getting the commerce secretary post."

Brown was able to turn the sedate commerce department, which the Republicans unsuccessfully tried to abolish, into a high-profile organization, with him acting as a globe-trotting trade ambassador to promote American business from China to Croatia.

Kantor, meanwhile, engaged in a series of acrimonious trade talks, taking on countries in Europe and Asia, and urging them to open up their markets to American goods. Although he reportedly knew little about trade three years ago, Kantor is widely credited for his efforts at pushing for the passage of crucial world trade pacts such as the North American Free Trade Agreement (NAFTA) and Uruguay Round of General Agreement on Tariffs and Trade (GATT) in 1993.

After all, Suphachai said, Kantor changed the atmosphere of negotiations on Thai-U.S. relations from "confrontational" into "promotional" while he was USTR.

During Kantor's tenure as USTR, Thailand was removed from the U.S. trade watchlist after Thai exports were subjected to retaliatory trade actions for years. The USTR complained then that intellectual property protection in Thailand was not adequate enough to serve the interests of foreign business.

This is despite the fact that some officials felt that Kantor outsmarted then Thai commerce minister Uthai Phimchaichon, whom they felt caved in to U.S. pressure.

The American official added that Kantor was tough when he was USTR simply because he had no choice. "Don't forget that Kantor was an active political promoter during Clinton's campaign," he said. To do that kind of job, the official noted, "He had to be what people called 'the people's person.' You have to be very outgoing, easy to get along with, and have a very attractive personality."

Kantor is obviously successful in handling different kinds of jobs, the American official noted. After you speak with him in Bangkok, you might say Kantor was the nicest person you've ever met in your life," he noted. Well, let's see, Mr Kantor.

Thailand: Official Notes Nations Applying To Join ARF

BK2606060396 Bangkok THE NATION in English 26 Jun 96 p A6

[Unattributed report]

[FBIS Transcribed Text] North Korea and Mongolia have officially submitted their applications to participate in the ASEAN Regional Forum (ARF), while Britain and France want to join as individual partners outside the European Union, a senior Foreign Ministry official said yesterday. ;

These approaches reflect the potential and capability of the ARF, which was launched in Bangkok in 1994, as "an informal consultative forum" for participants to discuss regional and international security, said Norachit Singhaseni, the deputy director general of the East Asian Department of the Foreign Ministry.

"At the ARF meeting in Jakarta next month, Burma and India will officially become participants. After this, the ARF will consider applications for membership according to a set of criteria being drafted by an ASEAN committee chaired by Indonesia," Norachit said.

At present, the basic factors needed to join the ARF are that the country is situated in the Asia-Pacific region, the impact it can have in the forum and it must as well show an interest in the region, he said. A country wishing to participate in the ARF should also have ties with the Association of Southeast Asian Nations (ASEAN) he said. The third ARF meeting in Jakarta will involve representatives from 20 countries and the European Union — the seven ASEAN countries, four ASEAN observers (Burma, Laos, Cambodia and Papua New Guinea), and nine ASEAN dialogue partners and consultative partners.

India, which was previously a sectoral dialogue partner, and China, previously a consultative partner, will this year attend the meeting as full dialogue partners.

The ARF meeting will maintain its principle of not having a fixed agenda. It instead allows participants to freely raise any issue they want, Norachit said.

Referring to England and France, Norachit said they have expressed interest in joining the ARF as individual countries. At present they are represented by the EU, the chairmanship of which is on a rotation basis.

Burma will attend this year's ARF meeting as an observer after acceding last year in Brunei to the ASEAN Treaty of Amity and Cooperation in Southeast Asian, a prerequisite towards full ASEAN membership.

ASEAN accepted Burma's application to become an observer, despite strong criticism over the country's brutal crack down on pro-democracy activists and the recent arrests of a large number of politicians belonging to the main opposition National League for Democracy party that won a general election in 1991, which the military junta has refused to recognise.

Norachit's remarks came during a briefing he gave ahead of the upcoming ASEAN ministerial meeting starting on July 20, which will also include the ARF meeting and a post-ministerial conference in Jakarta.

The ARF will move in two discussion directions. The first will be carried out by the ARF governments and the second will be conducted by strategic institutes and relevant non-governmental Organisations. The two sets of dialogue are to promote confidence building, preventive diplomacy, and in the long term, devising ways to curtail potential conflicts.

Thailand: Suu Kyi Writes on SLORC Suppression of NLD Signboard

BK2606042896 Bangkok THE NATION in English 26 Jun 96 p A4

[Weeky article by Aung San Suu Kyi carried in "Letters from Burma" column: "Signboard Saga Reflects Suppression by SLORC"]

[FBIS Transcribed Text] Life is seldom dull for dissidents in Burma. I just looked up "dissidents" in three different dictionaries and the definition I like best is "one who disagrees with the aims and procedures of the government." That about sums up the position of the National League for Democracy (NLD) and others working for democracy in Burma: We disagree with the present aims and procedures of the State Law and Order Restoration Council (SLORC).

Agreeing to disagree is a prerogative only of those who live under a democratic system. Under an authoritarian regime, disagreeing can be seen as a crime. This makes life for us rather difficult. Sometimes dangerous. But certainly not dull.

The main issue on which we disagree with SLORC is the matter of promises.

We hold that a promise given to the nation should be honoured, not cast aside with a shrug and a sneer when "it no longer suits" them.

When the military regime took over power in September 1988, it announced that it had no intention of governing the country for a long period. It would assume the responsibility of bringing genuine multi-party democracy to Burma and power would be transferred to the party that proved victorious in "free and fair elections."

The elections of May 1990 were hailed as one of the freest and fairest ever and the NLD won 82 per cent of the seats. As this was not the result SLORC had expected, it decided to forget its earlier promise and brought out Notification 1/90 (another nice Orwellian touch), according to which the job of the elected representatives was merely to draw up a state constitution.

But once the NLD and other political parties had been made to sign an undertaking to abide by this notification, SLORC proceeded to organise a National Convention in which less than one fifth of the delegates were elected representatives of the people. The duty of the convention was to endorse the basic principles of the state constitution which had been laid down by the authorities without reference to public sentiment.

It has been recognized by successive resolutions of the UN General Assembly that the will of the people of Burma, expressed through the elections of 1990, remains valid.

In May, on the sixth anniversary of the elections, the NLD decided to organise a conference of its elected representatives. This would have been a simple enough matter in countries where political parties are allowed to operate as genuine political organizations.

Not so in Burma.

Even the day-to-day running of an NLD office requires perseverance, patience, ingenuity and cool nerves. To begin with, a landlord who rents out office space to the NLD is told that his house or apartment could be sealed off or confiscated at any time the authorities consider that the activities of the party justify such a move.

Thus, finding a place to use as a party office is the first hurdle that has to be overcome, giving members of the NLD much practice in political education and friendly persuasion. In some places, the NLD was obliged to move its office several times because of pressure exerted on landlords. In others, the NLD was made to shift its office from a main road to a back street so its presence would not be so obvious.

The presence of an NLD office is generally made known by its signboard. And there is quite a saga attached to the signboard.

When political parties were allowed to register with the Multi-Party Elections Commission in 1988, they were also allowed to put up party signboards on the exterior walls or perimeter of their offices. But after a few months during which bright red and white NLD signboards blossomed all over Burma from big cities to forgotten little hamlets deep in the countryside, it was announced that no party signboards should be put up in offices at the village and ward level.

The reason given was that a multiplicity of party signboards in small villages and wards would lead to clashes among members of the respective parties. This was unconvincing as no such clashes had taken place and in many little villages and wards the NLD was the only party with an office and a signboard.

We discussed the matter with the commission and a compromise was reached. Signboards would be allowed in village and ward offices which had already put them up, or sent in applications to put them up before, if I remember the date correctly, Dec 16, 1988.

But there are still villages and wards where the decision of the commission has been ignored by the local authorities and NLD offices are still continuing the struggle to be allowed to put up signboards outside their usually modest premises.

There are places where NLD offices have been told to reduce the size of their signboards. There have been cases where local authorities have objected to NLD offices putting back signboards that had been temporarily removed for renovation.

There have been instances of local authorities forcing NLD offices to remove their signboards; recently in some towns in the Irrawaddy Division, members of the local Red Cross and the Union Solidarity and Development Association have joined in these operations.

Where else in the world has the matter of a party signboard turned into an openended saga?

[Signed] Aung San Sue Kyi

Thailand: Deputy Minister Charat To Face Burmese Border Dispute

BK2606070396 Bangkok BANGKOK POST in English 26 Jun 96 p 3

[Report by Nutsara Sawatsawaeng]

[FBIS Transcribed Text] The border conflict with Rangoon is expected to test Deputy Foreign Minister Charat Phuachuai on his return from overseas this weekend.

Rangoon claims a 32sq km area on Doi Lang in Mae Ai, Chiang Mai, the undefined island of Ganga, off Ranong, and is in dispute over channels in the Moei River in Tak.

Rangoon's claims to the Doi Lang area and Ganga were rejected during the 13th regional border committee meeting last week. It was agreed, however, to have the matter settled by the Thai-Burmese Joint Boundary Committee chaired by deputy foreign ministers.

Mr Charat, on visits to New Zealand and Australia, said he would work to arrange a meeting soon after his return and plans to visit the sites.

He plans to lead a delegation to Myawaddy, opposite Mae Sot, Tak, to offer robes to Burmese monks in a Thod Pha Pa ceremony as a good will gesture and to get to know some senior Rangoon officials.

A source said Maj Gen Khet Sein, Rangoon's south-eastern commander, and Maj Gen Tin Htut, his eastern counterpart have claimed Doi Lang and the nearby Doi Huai Ha on the basis the area had been held by drug kingpin Khun Sa.

The basis of their claim is that State Law and Order Restoration Council [SLORC] troops have been in control of the former Mong Tai Army headquarters on Doi Lang since Khun Sa's surrender in January.

The Thai side insists the claims be backed by evidence and said the issue was clouded because both sides have different maps.

"Thailand has not touched on the issue for border demarcation because Rangoon had no access to the area and we didn't want to negotiate with Khun Sa," said the source. "When everything starts settling down, we should talk."

Commercial factors are thought at play in the claim for Ganga, 50 nautical miles from a proposed border area. Rangoon has granted Thailand's Ves Group a concession to run a hotel on the nearby Son Island and wants to ensure it retains control of the small and unpopulated Ganga.

On the Moei dispute the SLORC side maintained the sooner Thailand restores the channels to their course of 1989, the sooner work on the Thai-Burmese Friendship Bridge will resume.

Mr Charat said he had tried hard to contact the SLORC side about several issues, including a planned visit to Rangoon, but to no avail.

Last month, the SLORC foreign ministry reacted to his request to send a team to define the desired channel course with the message: "Thailand knows very well what it should do."

There have been many disputes over the ill-defined 2,400km border but the military is particularly worried about Doi Lang, the source said. The conflict over Hill 491 in Chumphon in 1992 could be repeated on Doi Lang if the issue is not settled in talks, he said.

Supreme Commander Wirot Saengsnit has proposed both sides keep a company, rather than a battalion as at present in the area for economy reasons, but the SLORC says its forces will stay to suppress Mong Tai Army remnants.

Thailand: Regional Border Meeting With Burma 'Complete Failure'

BK2206115896 Bangkok THAILAND TIMES in English 22 Jun 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Phitsanulok — The Thai Burmese Regional Border Committee [RBC] meeting this week was a complete failure, as the two countries could not come to an agreement over the disputed area of Doi Lang.

Third Army Region Commander Lieutenant General Thanom Watcharaphut yesterday said Burma wanted Thailand to accept that the controversial area in Chiang Mai province belongs to Burma and asked Thai troops to be withdrawn from the area.

Thanom said Thailand could not accept those terms and that the matter will have to be discussed by the Thai-Burmese Joint Border Committee, as it is beyond the authority of the Thai side's Regional Border Committee to endorse.

A large number of Naresuan Task Force troops have been stationed in the 32-square-kilometer area of Doi Lang, which both Thailand and Burma claimed as their territory.

The atmosphere on the last day of the 13th RBC meeting, which was held in the Thai province of Phitsanulok between 18-21 June, turned sour as a result of a number of unresolved conflicts.

Burma insisted on continuing the construction of concrete and wooden barriers at several points along the Moei river in order to prevent soil erosion on its side despite strong protests from Thailand.

Thailand informed Burma during the meeting that the country had to build stone barriers on its side as well so as to prevent erosion on the Thai bank.

The meeting became heated once again when Burma tried to persuade the Thai side to accept that Kan Ka island near the Burmese town of Kaw Thaung belongs to Burma.

Burma suspended construction of the Thai-Burmese Friendship Bridge in June last year after Thailand built a causeway linking Thai territory to an islet in the middle of Moei river.

Rangoon demanded that Thailand dismantle the causeway which it agreed to do. However, Burma was dissatisfied with what they said was Thailand's partial removal of the causeway while Thailand insisted it was completely dismantled.

Thanom was the chairman of the Thai side delegation while South East Command Commander Major General Ket Sein represented Burma.

Thailand: Two Border Checkpoints Scheduled To Open in Mae Hong Son

BK2606091196 Bangkok BANGKOK POST in English 26 Jun 96 p 3

[Unattributed report]

[FBIS Transcribed Text] Two checkpoints with Burma are scheduled to open in Muang and Mae Sariang districts early next month.

Provincial Governor Somchet Wiriyadamrong said the checkpoint at Ban Rong Haeng of Tambon Huai Pha in Muang District will open on 2 July, while the other at Ban Sao Hin of Tambon Mae Khong in Mae Sariang District will open on 9 July.

Provincial officials have already invited Third Army Region commander Lt Gen Thanom Watcharaphut, Burma's western sector commander Maj Gen Tin Htut and Loikaw provincial military commander Col Kyaw Win to preside over the opening of both checkpoints.

He said Burmese merchants will be permitted to cross Ban Rong Haeng checkpoint into Mae Hong Son to trade with Thais under the watchful eyes of Thai immigration police.

However, Burmese crossing into Thailand at Mae Sariang checkpoint will not be allowed to trade goods.

The governor reaffirmed the province's readiness to resume border trade with Burma and said Burma had already resurfaced a road in Ban Ho Mong linking Mae Hong Son.

Border trade at Mae Hong Son was hard hit after the Third Army ordered closure of all checkpoints in the province on 15 July 1994.

Burma has demanded that Thai authorities not set foot on an islet in the Moei River.

It says it has not yet been cleared which country has the right to claim the area, but it allows its people to trade there.

An informed border source said Tak Governor Kasem Nakharat had recently ordered the removal of the authorities from the area following a protest by Rangoon to the Foreign Ministry.

According to the Burmese government, people from neither side should be allowed to use the land, pending the settlement of the contentious border demarcation issue.

But after the removal of the Thai authorities, hundreds of Burmese have turned the islet into a small market.

A Thai villager said the authorities also asked the villagers not to enter the area for they could not ensure their safety.

The islet is considered no man's land since the Moei River is the demarcation line between Thailand and Burma.

Burma has claimed that Thailand encroached on the border line by using soil deposits to bridge the gap between the Thai side of the river bank and the islet, and wanted Thailand to return the water channel to the original course.

On March 7, Thailand dredged the channel but Burma claimed it was only temporary and based on only the Thai map.

Thailand: Road to Burmese Border Closed for 'Security Reasons'

BK2606093296 Bangkok BANGKOK POST in English 26 Jun 96 p 3

[Unattributed report]

[FBIS Transcribed Text] Chiang Rai — A road linking the Burmese border with Doi Pha Mi-Doi Tung Road in Mae Fa Luang Sub-district has been closed for security reasons.

Governor Khamron Bunchoet yesterday said Burmese villagers had illegally enlarged part of the road inside Burma to enable vehicles to pass through.

The governor said he was afraid this might facilitate smuggling and other illegal activities across the border so he ordered the road closed to vehicular trafffic.

The road also leads to Mae Sai District, Doi Tung Palace and several other routes.

Before the road was enlarged, it was used mainly by hilltribesmen in Burma who crossed into Thailand to buy consumer goods.

Thailand: Foreign Minister Stresses Building 'Trust' With Neighbors

BK2506051096 Bangkok THE NATION in English 25 Jun 96 p A3

[Unattributed report]

[FBIS Transcribed Text] Foreign Minister Amnuai Wirawan said yesterday he would try to solve existing problems with neighbouring countries by building mutual trust and confidence on the basis of fairness through a series of visits to regional nations.

Amnuai, also deputy prime minister, said that the country's foreign policy stresses strengthening bilateral ties between neighbouring countries and that the Foreign Ministry will seriously pursue this objective.

Amnuai will visit Burma on Aug 5 accompanied by representatives of the business sector. On Sept 7, a Laotian delegation led by Foreign Minister Somsavat Lengsavat will visit Thailand.

On both occasions, there will be a joint commission meeting to discuss topics ranging from boundary issues to cooperation in trade and investment. Dates for tanks with Cambodia are being worked out.

Amnuai said high-level personal contacts and meetings are effective in creating mutual trust and confidence, which Thailand wants to encourage.

He said it was impossible to solve problems at only one meeting, but that Thailand would be fair in dealing with its neighbours and compromise when necessary. At the same time, other countries should also compromise, he said.

He cited examples of the Thai-Lao Friendship Bridge constructed in 1994, which has not been used to maximum benefit, and the passing of goods between border crossings of the two countries.

Thailand: Spokesman Clarifies Reported Ranariddh-Banhan Television Incident

BK2506110296 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 24 Jun 96

[FBIS Translated Text] Prime Minister's Office Spokesman Somsak Pritsananthakun, has denied a report by some newspapers, following the visit to Cambodia by the Thai prime minister, that Samdech Norodom Ranariddh, Cambodia's first prime minister, expressed displeasure with Prime Minister Banhan Sinlapa-acha for making him hold hands with the second prime minister of Cambodia, and that the incident has stirred up widespread criticism.

After checking, the spokesman said the first prime minister of Cambodia made references to it in a speech at the opening of an educational center, and not during a news conference. What he said is as follows: The prime ministers of Malaysia and Singapore asked the Thai prime minister to convey to the Cambodian leaders ASEAN's concern. They also said they shared the belief with Cambodia's neighbors that it is necessary for Cambodian leaders to forge unity and to solve all problems, which may be an obstacle to the development in this region.

In conclusion, the Cambodian leader has not expressed any displeasure as the report said.

Thailand: Ranariddh Denies Displeasure With Banhan's Gesture

BK2506053096 Bangkok BANGKOK POST in English 25 Jun 96 p 7

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha's fondness for getting people to hold hands at international get-togethers has attracted headlines he would rather do without.

In the latest such incident, Mr. Banhan made the co-premiers of Cambodia, who are not on the best of terms, hold hands in Phnom Penh.

Mr. Banhan's gesture followed a request from Malaysia and Singapore to convey to Prince Norodom Ranariddh and Hun Sen that ASEAN was worried about conflicts in Cambodia.

News agency reports that Prince Ranariddh was not impressed with the gesture were denied yesterday by Foreign Minister Amnuai Wirawan and Government spokesman Somsak Pritsananthakun.

The prince denied he had been uncomfortable, said Mr. Amnuai. In an interview on ITV, Prince Ranariddh said: "I'm surprised foreign newspapers quoted me as saying I'm unhappy about the gesture. I would like to confirm I had no idea like that."

According to the Thai embassy in Phnom Penh, the day after the encounter Prince Ranariddh expressed shame rather than anger. "Quarreling is our affair but if by doing so, our national interest suffers, we have to stop," he said.

"It's unnecessary for other people to bring our hands together. It does not look good," he said of the June 21 incident.

The prince quoted Mr. Banhan as saying many newspapers had reported the situation in Cambodia was not good and he should not make the visit.

Spokesman Somsak said the prince had not intended criticising Mr. Banhan and had made no such remarks at a press conference because there had not been one.

"We could say that Cambodia's first prime minister did not intend to criticise Mr. Banhan in particular," he said.

There was no reason for dissatisfaction since Mr. Banhan had shown good will to a country which was about to join ASEAN, he added.

Thailand: Banhan Denies 'Interfering' in Cambodian Affairs

BK2606060196 Bangkok BANGKOK POST in English 26 Jun 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha told his Cabinet yesterday he did not mean to meddle when he tried to get Cambodia's feuding co-premiers to hold hands.

An informed source quoted the premier as saying it was his fondness for holding hands with leaders of other countries that induced him to try it with Hun Sen and Prince Norodom Ranariddh.

Mr Banhan told his ministers the gesture during his June 20-21 visit to Phnom Penh could not be taken as interfering in Cambodia's internal affairs.

The gesture was said to have caused discomfort to Prince Ranariddh, who has been engaged in a war of words with Hun Sen over a power-sharing agreement.

The source said PM's Office Minister Piyanat Watcharaphon, who was on the trip, told his Cabinet colleagues the Press had only quoted parts of the prince's statement about the gesture.

Thailand: Editorial Discusses Banhan's Diplomatic Misstep

BK2506161296 Bangkok MATICHON in Thai 25 Jun 96 p 20

[Editorial: "Diplomatic Ignorance"]

[FBIS Translated Text] It must have been with good intentions for the happiness of the Cambodian people that Prime Minister Banhan Sinlapa-acha, during his visit to Cambodia last weekend, tried to forge unity between the two Cambodian leaders by pulling on the hand of First Prime Minister Prince Ranariddh to join it with that of Second Prime Minister Hun Sen. His action, instead of earning him praise, however, has reportedly caused displeasure to Prince Ranariddh. Based on his thinking, as a Thai, Prime Minister Banhan must have simply thought that he was playing the role of an elder trying to patch up a quarrel by making the children hold hands in a gesture of reconciliation.

His thinking, based on Thai culture, cannot apply to every other matter, especially when it deals with international politics or when it involves another culture. Thus, Banhan Sinlapa-acha's good intention caused embarrassment to Cambodia's first prime minister instead. Banhan was performing what he thought was a useful mission based on the thinking of a Thai. A diplomatic mission of such a nature, however, should be carried out in secret and not in public.

It is good that Banhan wished to see leaders of a neighboring country love each other and be united. Yet, there are diplomatic norms and etiquettes to follow concerning international relations. The prime minister, in this connection, should have consulted with the foreign minister or senior officials of the Foreign Ministry in order to know how to make an approach. There are diplomatic steps and practices to follow, and the prime minister must realize that most of the time those steps are taken discreetly.

It is normal for leaders to discuss problems of mutual concern when they hold a meeting. However, when the prime minister of Singapore expressed concern over the conflicts between the two leaders in Phnom Penh when he had a discussion with the Thai prime minister, it did not mean he expected the Thai prime minister to play the role of a hero in patching up relations between the feuding leaders. What the Thai prime minister could do at a meeting with Ranariddh or Hun Sen was simply to relay to them ASEAN's concern and its desire to see unity between the two Cambodian coalition parties that would contribute to Cambodia's prosperity. He can voice support and encouragement in a constructive manner, but not by pulling their hands to join them.

After meetings, leaders should also know what can be told to the public and what cannot. Differences between the two Cambodian leaders are Cambodia's internal affair, and any mention of it could represent interference in the internal affairs of Cambodia. In fact, it is normal to see in any coalition the kinds of differences that exist between Hun Sen and Ranariddh. This concerns the problem of internal politics or conflicts of interest, similar to what the Banhan government is experiencing. A party in Banhan's coalition has already pulled out from the alliance, and Banhan was unable to link the hands of the leaders of the two feuding parties.

Thailand: Finance Minister Cited on Need To Boost Exports

BK2206150396 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 22 Jun 96

[FBIS Translated Text] The finance minister has said the economic growth rate may differ from the set target. Therefore, efforts should be made to boost exports. Finance Minister Bodi Chunnanon said the country's economic growth rate may differ from the set target of 8.4 percent because the total export value in the first three months of the year was below target.

Efforts have therefore been made to boost exports as much as possible. It might not be as successful as 1995, when the target export growth rate was set at 18 percent but actual growth was registered as high as 23 percent. Anyway, there should be no concern about the country's overall economic image, although the labor problem will be very difficult to solve. Nevertheless, consideration must be given as to how this problem can be rectified; for example, by reducing interest rates to a level conducive to exports.

Kroekkriat Phiphatseritham, in his capacity as a member of the Thai Chamber of Commerce, commented that if the export value is below target it will result in a larger current account deficit and directly affect the country's financial status. Therefore, the government must try to solve this problem quickly. In this regard, the Thai Chamber of Commerce has made a list of obstacles to exports and will submit it to the Council of Economic Ministers on Monday:

[Begin Kroekkiat recording] The government should quickly and seriously try to solve this problem, such as through tax repayments or flexible measures in connection with exporting of goods or importing raw materials. I think such measures could be helpful. Although the total export value may not reach the target of 18 percent, it will be close. I believe 12 percent is possible. [end recording]

Thailand: Ex-Deputy Premier on Government Economic Performance

BK2606132196 Bangkok SIAM RAT (Special 46th Anniversary Issue) in Thai 25 Jun 96 pp 47, 48

[Interview with Suphachai Phanitchaphak by unidentified SIAM RAT correspondent, former deputy prime minister; place and date not given]

[FBIS Translated Excerpt] [SIAM RAT] How do you view the general economic situation for this year?

[Suphachai] We all know that this year is important for our economy. Management of economic stability after years of continued economic growth poses numerous problems. If you are overly concerned about the political aspect it will be difficult to maintain economic stability because it involves cutting expenses and subsidies, which in turn does not make the current type of government popular in the next elections. I am not saying that the current government ignores economic problems, but it will not be vigorous in its efforts to tackle them. I do not believe the Finance Ministry would be pleased if it were asked to supply additional funds frequently. For example, let us not build roadways that are too expensive. Political interests will become the guiding factor; the Finance Ministry will lack freedom of management.

[SIAM RAT] Can you comment on the claim that inflation has begun to slow as the result of stringent control measures?

[Suphachai] With the strong measures currently in force the economy will truly be in a serious state, if inflation does not slow down. Commercial banks have been asked to expand credits and not to use funds from abroad. The government was slow at the beginning, because the central bank refused to recognize that there was a problem. The current measures did not attract much attention before becoming policy; therefore measures need to be excessively strong. The measures are essential, there is no other choice. This results in an excessive burden on financial policies, and forces high interest rates. Without the aid of fiscal policies, the burden on the private sector is huge.

Regarding the claim that the inflation rate will be reduced to 5.5 or thereabouts, there are many sets of figures involved. Inflation in May was down to 6.1, but the average figure from the beginning of the year was around 7. They claim that the inflation rate will be down to 5.5 for the whole year. For that to happen by the end of the year, the interest rate will have to come down to about 4 percent from month to month. Still, the average for the year will be between 6-7 percent. To keep the current account deficit below the past year's figure, it will require an acute slowdown of the economy, or extraordinary export growth. The export growth of 11 percent is not that good. I think with a slowdown of export growth and the correction of the balance of services, the problem has progressed little. The growth of the current account deficit could be curtailed somewhat; it would be very good to limit it to 7 percent. [passage omitted]

[SIAM RAT] Which problems do you think should be tackled quickly?

[Suphachai] 1. Infrastructure projects. I believe the government is accelerating such projects in Bangkok. There are also infrastructure projects that require lots of money, such as deep sea ports, power generators, and projects that link border province cities to the border in order to decentralize people from Bangkok. I regard these as infrastructure projects. Not all projects that require a great deal of capital are infrastructure projects, however, certainly not those large roads that are built to districts to retain voter loyalty. If a large amount of money is spent on such projects it would be better to use it to complete other useful projects, such as the new parallel highway to the east coast that would benefit the deep sea port and the second airport.

2. We have to accelerate manpower development, elevating the skill levels of our people and expanding their knowledge, or we will fall behind our neighboring countries.

3. The government must quickly solve the financial stability problem and avoid creating doubts among the people about its temporary policies.

4. The ability to compete with other countries must be enhanced, including reforming the tax structure and penetrating foreign markets. [passage omitted]

[SIAM RAT] What is your impression of the current government?

[Suphachai] I hope the government will establish good credibility, and that it will avoid excessive political interference in economic issues because only confusion will result. You can appoint ten policy oversight committees, but they do not help if you do not understand how the economic system works. Technocrats can tell you what the problems are, but you will not be able to solve them. At times technocrats themselves have no experience. It is not encouraging to see ignorance on both sides. The managers must have some knowledge. In a situation where the managers lack knowledge, he can bring in some technocrats to help, but it does not always work. Technocrats give technical advice, but it takes technocrats with some experience to know what should be applied, in what extent and at what time.

If you bring in technocrats to perform management duties, then you are letting them perform. If you form committees that comprise of knowledgeable technocrats to help, you can solve the economic problem correctly. That is not the way that is being done now.

You cannot carry out experiments on economic policies. People involved in economic policies must thoroughly understand them and experience them. You cannot just follow theories. The economy will collapse if that should happen. That is not what we want. We want an economy that is decent and macroeconomy that yields good distribution of income.

[SIAM RAT] How do you see the economic growth in 1996?

[Suphachai] The economic growth will definitely reach 8 percent, because growth in investment, construction, and public health sector is not a cause for concern. We hope, however, that prosperity and education will be fairly distributed and that we will be able to compete with other countries. What is grim is decentralization of power and prosperity. Although 90 percent of cabinet ministers are from regional areas, the government does not have policies that serve interests of rural areas — no investment promotion to those areas. What investment promotion policies there now are from the previous government. They are not being implemented with any degree of earnesty or continuity of planning. For example, there is no continuity or support for the project to link northern provinces to prepare to competition from China and Vietnam. There are no projects to build industrial estates or other promotion for the region. Most of the policies serve the wishes of people in Bangkok. [passage omitted]

Thailand: Economic Board Meeting on Interest Rates Reported

BK2606060796 Bangkok THE NATION in English 26 Jun 96 p A1, A3

[Report by Wichit Chaitrong]

[FBIS Transcribed Text] The Bank of Thailand insisted yesterday that interest rates would be allowed to fall naturally, without state intervention, following an official assessment that a reduction would not boost inflation.

Central bank Governor Wichit Suphinit said last night the Economic Board, an advisory body chaired by Prime Minister Banhan Sinlapa-acha, had agreed to Finance Minister Bodi Chunnanon's suggestion that interest rates should come down.

"We won't interfere with the process, but rather let the market mechanism do the job," Wichit insisted.

There has been growing concern that the Bank of Thailand may be giving in to political pressure to cut interest rates.

But the Bank of Thailand's unbending stand yesterday further clouded the future of Wichit, who was heavily criticized by several Cabinet members yesterday, according to an informed source.

The source said that at the Cabinet meeting, Banhan, Bodi, Deputy Prime Minister Amnuai Wirawan, Deputy Prime Minister Thaksin Chinnawat and Justice Minister Chaloem Yubamrung voiced concern over the four per cent gap of borrowing and saving rates and expressed frustration at "too much independence" from the central bank. They said that if the current situation continued, small time businesses would be the first to go bankrupt.

"The Cabinet members who criticized the Bank of Thailand gave a clear indication that they were fed up with Governor Wichit, who was described during yesterday's meeting as a politically bankrupt man. Some ministers even openly called for his removal," said the source who attended the meeting.

When pressed to explain yesterday what he meant by market mechanism, Wichit replied, "It is high time commercial banks lowered their interest rates."

He was speaking after a meeting of the board.

The state-owned Krung Thai Bank said yesterday it planned to cut time-deposit rates by a quarter of a percentage point, from the current 9.26 to 10.6 per cent spread, effective from tomorrow, to keep the spread margin between lending and deposit rates stable.

The Bangkok Metropolitan Bank also announced it would cut lending rates by 0.26 percentage points, from the current 14.6 to 14.76 per cent spread, to boost lending.

Bodi said on Monday that interest rates could be lowered by one or two percentage points and that Wichit had agreed to an initial reduction of 0.6 points.

The Bank of Thailand had earlier pledged to maintain a high interest-rate policy, despite cuts in overseas rates and subsequent reductions by local banks.

The cut announced by Bodi, however, was criticized by experts at the National Economic and Social Development Board [NESDB], the government's think-tank, and several bankers who felt the move was motivated more by politics rather than any market mechanism.

A source at the NESDB warned that a study should have been made before the reduction, "which comes far too quickly".

"The government should wait for the release of the half-year economic figures before going ahead with the measure," the source said.

A foreign banking source also seemed less than enthusiastic. He said an interest rate cut of up to two per cent during the latter half of 1996 was too much.

"The cut should not exceed 0.26 to 0.6 percentage points for the latter six months," the source said.

The interest cut also failed to move the bearish mood on the local bourse. The same foreign banker said foreign investors in and outside the capital markets viewed the cut as being politically motivated. "It is not stipulated by the market mechanism," he said.

Being politically motivated, the cut did more harm than good, he said.

The stock market slid more than 10 points on Monday when news of the reduction was first reported. Yesterday, the Stock Exchange of Thailand index rose slightly by 2.17 points to close at 1,225.57 points after Monday's oversell.

"Normally, the stock market thrives when a cut is announced," the banker said. "The further slide in the stock market shows that foreign investors' confidence in the government has fallen."

MR [Mom Ratchawong — royal title] Pridiyathon Thewakun, a member of the Economic Board, said Wichit had told the government that interest rates should come down further but insisted that market forces should dictate the pace.

The Bank of Thailand expects inflation this year to ease from the current rate of about 5.5 per cent to around 5.2 per cent — still higher than the initial forecast of 4.9 per cent.

The Thailand Development Research Institute has predicted that the inflation this year will be between 5.2 and 5.5 per cent.

However, Bodi expects the economy to sustain an inflation rate of 5.7 to 5.8 per cent and has said he does not expect this to pose stability problems.

Deputy Prime Minister Amnuai Wirawan said interest rates would be cut over the next three to four months, but that only medium and small borrowers would benefit as large borrowers could always tap into cheaper foreign funds.

Banhan, meanwhile, has asked relevant authorities to look into the problems faced by the property sector, which is facing a downturn in demand.

The decision to try and bring interest rates down to bolster the country's staggering export growth came swiftly after the president of Siam Commercial Bank, Olan Chaiprawat, warned that the luck that had brought Thailand high exports and economic growth was running out.

The country's export structure, he said, had arrived at a turning point. Its labour intensive products were becoming less competitive in world markets and the country was not ready to move onto another development ladder.

The Economic Board yesterday admitted that exports would grow by only an estimated 15.4 to 15.5 per cent — down on the 18 per cent growth targeted earlier.

But Pridiyathon said 15 per cent was still healthy considering that the value of the exports was estimated at between Bt [baht] 1.603 trillion and Bt1.605 trillion.

Bodi insisted yesterday he would use tax incentives to boost the country's low level of savings, which are expected to decline further following the interest rate cut.

He would not elaborate on what kind of tax measures he would pursue, but added that it was essential to also boost savings while shedding interest to boost exports.

Cutting interest rates is normally a disincentive for people to save, and could lead to a worsening of the savings-investment gap which has resulted from rapid economic growth.

"If people do not agree with my decision (to cut rates), they can always tell me," Bodi said, insisting that the current rates of interest were far too high.

Vietnam

SRV: 'Sources' Say CPV Votes To Keep Top 3 Leaders

BK2606112096 Hong Kong AFP in English 1100 GMT 26 Jun 96

[FBIS Transcribed Text] HANOI, June 26 (AFP) — Leading members of Vietnam's Communist Party have voted to retain the country's top three officials in their posts at a closed-door meeting ahead of a congress that opens Friday, party sources said.

Party General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet are to remain in their posts and will retain the top three slots in the powerful Politburo, the sources said Wednesday.

The three were included on a list of central committee candidates that will be officially selected at the congress, meaning that they will almost certainly remain in their jobs.

No official announcement is expected until the congress winds up on Monday after four days of speeches and debate attended by more than 1,000 delegates from across the country.

The congress will officially ratify decisions on leadership positions that are made by the top party figures before the public meeting opens.

The ruling party had been expected to retain Muoi, 79, Anh, 75, and Kiet, 73, in their posts despite repeated public pledges to rejuvenate the leadership. Statements from party officials had left the doors open to keeping the three leaders by saying they would retain a few older officials of "exceptional ability."

Political analysts said retaining the troika as a sign of the party's concerns about maintaining political stability and reflected the difficulties in bringing up new leaders.

The three leaders reflect a delicate balance of geographical and political interests within the party that has proved difficult to replicate with younger members of the ruling group.

Vietnam's rapid economic and social transformation has unsettled the party which has voiced concerns about threats from rampant corruption and what it calls "peaceful evolution" — a perceived plot by the west to undermine the remaining communist one-party states.

Do Muoi has proved an able arbiter between different bodies of opinion within the party and has considerable experience having served at the highest levels of the party and government for more than three decades.

Le Duc Anh, a general who commanded Vietnamese forces in Cambodia in the 1980s, has been charged with security issues and has successfully mended fences with China following the break in ties in 1979.

As prime minister, Vo Van Kiet has presided over rapid economic development in Vietnam and has called for sustained reforms, often battling with more conservative cadres to push through changes.

The three leaders have been boosted by their five years in office which have seen Vietnam emerge from the economic quagmire of the 1980s with high growth and low inflation.

They have also played a key role in a number of foreign policy successes that ended Vietnam's isolation, including normalisation of diplomatic ties with the United States and membership in the Association of Southeast Asian Nations (ASEAN).

The congress will announce new members of the Central Committee and the Politburo and is expected to centralise many powers under a new Politburo standing committee.

According to draft changes to the party regulations, the standing committee is expected to contain the core leadership and will streamline decision-making at the highest level.

The Politburo currently has 16 members selected from the larger central committee which has around 160 members. At past congresses around a third of the members of each body normally retire or are replaced.

SRV: Do Muoi Interviewed on Party Congress

BK2606142896 Ho Chi Minh City CONG AN THANH PHO HO CHI MINH in Vietnamese 19 Jun 96 pp 1, 2

[Interview with Party General Secretary Do Muoi by CONG AN THANH PHO HO CHI MINH correspondent Gian Thanh Son; place and date not given]

[FBIS Translated Text] [Gian Thanh Son] Mr. General Secretary, recently, world public opinion has been paying special attention to the eighth congress of our party. His Excellency Romet Chandra, honorary president of the World Peace Council, himself showed keen interest in this event and expressed his admiration for the achievements that Vietnam scored over the past 10 years under the renovation policy initiated by the Communist Party of Vietnam [CPV]. Please tell us about the significance of this important event and about the future developments in our country after the year 2000.

[Do Muoi] I would like to thank our friends all over the world for their interest in our country's renovation undertaking and advancement.... Since its founding, the CPV has always remained loyal to the interests of the nation and class and has done its best to safeguard national independence and liberty and to bring about a happy life for the people. These objectives respond to the practical and most profound aspirations of our entire people. The eighth party congress bears great historical significance because it marks a shift to a new turning point during which vigorous efforts will be made to take our country to a new position in the world during the first half of the 21st century. In my opinion, as party activities also involve the affairs of the masses, our people have followed the congress with keen interest and have actively contributed their views on this event. We must do a satisfactory job to turn the congress into a truly great event for our entire party, people, and army.

The congress will set goals for the period up to the year 2000 and the orientations for key areas of development. It will also formulate the projected development objectives for the period up to the year 2020. Based on past achievements, our party has regarded the 1996-2000 period as a very important step in the new stage of development during which vigorous efforts will be made to implement the industrialization and modernization program to lead our country out of poverty and underdevelopment at an early date and to create the premises for Vietnam to become an industrialized nation within the next several decades. We should, therefore, make every effort to reach or even surpass the targets of the "socioeconomic stabilization and development strategy devised for the period to the year 2000." This also applies to other orientations and tasks to be set forth by the eighth party congress, thus creating the conditions for strong development right from the outset of the next century. It is our determination to successfully implement the industrialization and modernization program; make our people rich, our country powerful, our society equitable and civilized, and socialist construction a success; and turn the dream and aspirations of so many generations into reality. These are bright prospects for our country for the period from now until 2000 and the ensuing years.

[Gian Thanh Son] Dear Comrade General Secretary, in order to fulfill the duties of a major city, what should Ho Chi Minh City do in the period to come?

[Do Muoi] After the capital city of Hanoi, Ho Chi Minh City, is a major cultural, scientific, and technological center of the country. It is a gate to the transportation and international exchange network, and a focal point for the expansion of investment and cooperation activities within the world and the region. In the industrialization and modernization process of the country, Ho Chi Minh City plays an important role and has a responsibility towards other southern provinces and towards the country in general.

The city is gaining more strength and advantages in terms of new production capacities, new infrastructure and technologies, and new markets. This results in more favorable conditions for the rapid economic development of the city in the direction of exports, exploitation of all domestic resources, and attraction of contributions from outside sources. Despite these advantages, however, Ho Chi Minh City still has to face many challenges. The infrastructure is still inadequate. Productivity, product quality, and business efficiency are still low. The importation of and competition with foreign goods are fierce, and if we do not manage to improve ourselves, we will face the risk of becoming a consuming market of foreign products and a source of supplies for their production. Moreover, waste is still widely exercised in both production and consumption. The rich-poor gap continues to grow, and social vices run rampant. Many indecent and harmful cultural products are still circulating in the city. The city is also a location that hostile forces consider a central stage for their "peaceful evolution" maneuver, where they will try to stir up political instability, carry out economic sabotage activity, cause pollution in cultural and social aspects, and overthrow the regime that our people build up after unmeasurable sacrifices of our own flesh and bone.

These are the challenges that the city must overcome. The party organization and administration of Ho Chi Minh City should use their leadership to guide the city in order to seriously and quickly overcome all weaknesses and shortcomings.

In order to attain long-lasting development, we must strive to study and improve ourselves, utilize talented people, conduct efficient business activities, practice thrift, and prevent corruption. That is what we have learned from developed countries. That should also be the wish and effort of every Vietnamese citizen as we are on the threshold of the 21st century; that is when the full Vietnamese acumen should be demonstrated.

[Gian Thanh Son] Thank you, Comrade General Secretary.

SRV: Official Says Billions Needed for Transport, Communications

BK2206150996 Hanoi VNA in English 1418 GMT 22 Jun 96

[FBIS Transcribed Text] Hanoi VNA June 22—Vietnam will need 5 billion USD to develop its transport and communication system from now to the year 2000, Le Ngoc Hoan, vice-minister of transport and communication said.

This sum represents 11 percent of the total investment of some 41-42 billion USD projected for the development of the country's economy [word indistinct] the period.

Vietnam transport and communication infrastructure is now not only poor but seriously degraded as well. It has posed a major obstacle to the development of the economy as a whole.

The 5-billion-USD investment is projected in a master plan which is awaiting the government's approval.

Two billion of this amount will come from the state budget chiefly to be used to improve airway and waterway transport. The rest is to be mobilised from economic branches and foreign sources. Foreign investments in the forms of joint venture, 100 percent foreign-owned and BOT (build-operate-transfer) are also encouraged.

Up to now, 20 projects in infrastructure development in transport and communication have been licensed with a total pledged capital of over 1 billion USD, mainly from ODA [Official Development Assistance] sources; another 1 billion USD in 10 projects is currently under consideration. A 500-million-USD project to upgrade the Ho Chi Minh City-Bien Hoa-Vung Tau Highway and a 600-million-USD project to build the Ben Dinh Sao Mai Port are already underway.

Investment in railway transport is now the slowest of all but experts of the Ministry of Transport and Communication said that up to 2010, Vietnam will have needed at least 23 billion USD to modernise its transport and communication system.

SRV: Gross Domestic Product Increases 9.3 Percent

BK2506144096 Hanoi Voice of Vietnam in English 1000 GMT 25 Jun 96

[FBIS Transcribed Text] According to the General Statistics Office, Vietnam's GDP [gross domestic product] growth rate in the last six months grew by 9.3 percent compared with the same period last year, nearly reaching the annual target of 9.5 percent. Meanwhile, commodity prices were generally stable. In the first five months of the year, the price index grew by 3.8 percent. The state budget revenue in the first half of the year increased by 21.3 percent over the corresponding period last year. In its five-year plan to the year 2000, Vietnam aims to achieve an export turnover of $20 billion, that is, almost four times as much as 1995. Preferential tariff will be levied on finished products to increase the gross value to 70 percent from only 20 percent now.

Australia

Australia: Minister Criticizes U.S. Extraterritorial Law on Trade

LD2606085096 Melbourne Radio Australia in English 0800 GMT 26 Jun 96

[FBIS Transcribed Text] Australia has criticized the United States for trying to impose its laws on other countries. Deputy Prime Minister [and Trade Minister] Tim Fischer told parliament that America was acting against basic international law in trying to punish foreign companies for trading with Cuba or Iran.

[Begin Fischer recording] At this point, I am not aware that any Australian company has had to withdraw from operations in Cuba or Iran as a result of US extraterritorial legislation, but companies are continuing to follow developments closely and I am keen to ensure that the U.S. understands our basic problems with this issue. Extraterritorial measures are inconsistent with basic principles of international law. They seek to impose punitive measures on third-country investors and impinge on the sovereignty of other countries. [end recording]

Mr. Fischer said Australia had discussed the problem with the United States and other members of the Group of Seven developed countries.

Australia: Foreign Minister Criticized Over Scrapping of Loan Scheme

BK2606034696 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 26 Jun 96

[Report by Michael Dwyer — received via Internet; dollar figures given in Australian dollars]

[FBIS Transcribed Text] The beleaguered Minister for Foreign Affairs, Mr Alexander Downer, came under new pressure last night following fresh revelations of complaints from Asian leaders over the scrapping of a $120 million soft loan scheme.

Mr Downer was last night forced to admit that Indonesia's influential Minister for Research and Technology, Dr B.J. Habibie, had written to him expressing concerns about the Government's abolition of the Development Import Finance Facility [DIFF] scheme.

Mr Downer made the admission despite telling Parliament on Monday night that the record was "complete" on the ministerial representations he had received from Asian countries over the abolition of the scheme.

Mr Downer told Parliament last week that he had received no ministerial-level representations on the issue, but he has now had to concede that senior ministers from China and Indonesia have expressed concerns about the DIFF decision.

His admission about the letter from Dr Habibie, dated June 13, represents the third occasion on which Mr Downer has been forced to clarify his initial statement to Parliament.

Mr Downer has now faced two days of intense parliamentary scrutiny on the DIFF issue, including two censure motions and an embarrassing backdown over the extent of Asian concerns about the scrapping of the scheme.

The stumbles have raised concerns among Mr Downer's senior colleagues about his ability to operate under pressure in one of the Government's most sensitive portfolios.

Mr Downer last year resigned from a brief term as Leader of the Opposition after a series of mishaps and misjudgements. The Government has continually claimed that the decision to scrap the DIFF scheme, first announced in the election campaign, has not harmed Australia's relations with its Asian neighbours.

But evidence is mounting of alarm in Asian capitals.

The DIFF scheme provides concessional loans for infrastructure projects in Asia, and has opened doors in the region for Australian business.

Although the timing of the delivery of letter from Dr Habibie is somewhat muddled, it marks the third time in two days that Mr Downer has been forced to clarify his initial claim that he had received no ministerial representations on the issue.

Mr Downer was embarrassed on Monday when the Labor Opposition produced a letter expressing concerns about the abolition of DIFF from Mr Sun Zhenyu, a vice-minister in China's Ministry of Foreign Trade and Economic Co-operation.

The letter from the vice-minister included a message of "strong concern" from China's powerful Minister for Overseas Trade, Ms Wu Yi.

Late on Monday night, Mr Downer was forced to tell Parliament the issue had also been raised in Jakarta in April when he met Dr Habibie and Indonesia's Minister for National Development Planning, Professor Ginanjar. Yesterday the Opposition tabled the fresh letter from Dr Habibie to Mr Downer, which expressed concern about the decision to scrap DIFF funding for a rural electrification project in eastern Indonesia.

The letter includes a personal plea by Dr Habibie for Mr Downer to reconsider.

The Opposition spokesman on Foreign Affairs, Mr Laurie Brereton, said in Parliament yesterday Mr Downer had been "absolutely dishonest" in his handling of the dispute and should be sacked.

"I have never seen a more disgraceful demonstration by anyone in a betrayal of their fundamental duty under the Westminster system," Mr Brereton said.

"This fellow has not lied once; he has not lied twice; he has lied repeatedly," he said.

"He is forever tainted with dishonour and he has no right whatsoever to hold himself out as our representative on the international stage on the basis of this disgraceful deceit."

The Government decision to scrap the DIFF scheme will save it around $120 million a year. But more than $1 billion worth of projects will be affected, with the biggest impact in Indonesia, China and the Philippines.

The controversy has become so intense that the Government has been forced to concede it will consider a new concessional loan scheme as early as 1997-98.

But Mr Downer told Parliament yesterday the Government would not reconsider in the forthcoming financial year. "We will not be reviewing the decision," he said.

The Government is facing further embarrassment in the Senate, with the ALP [Australian Labor Party] Opposition and the minor parties set for an inquiry into how the scrapping of DIFF has affected Australia's relations in the Asia Pacific region and the role of soft loan programs in overseas development aid.

Mr Downer is expected to come under more pressure later this week with the release of a report on the death of six Australian-based journalists in East Timor in 1975.

Australia: Senate Report Urges Closer Military Ties With PRC

LD2606112296 Melbourne Radio Australia in English 0900 GMT 26 Jun 96

[FBIS Transcribed Text] An Australian parliamentary report has called for Australia to develop defense contacts with China. The Senate report on Australia-China relations says there should be exchanges of officers between the Australian Defense Force and the People's Liberation Army [PLA]. It says contacts between officers might counter PLA suspicion of the emerging world order and military calls for China to act unilaterally.

The report also says Australia should encourage China to produce a policy paper on its defence and military development. The parliamentary committee says uncertainty about China's long-term strategic plans may give rise to hostile perceptions in the region.

Australia: Editorial Regrets 'Accommodation' Over Envoy to Indonesia

BK2606034796 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 26 Jun 96

[Editorial: "Dancing to Jakarta's Tune" — received via Internet]

[FBIS Transcribed Text] Deferring to Jakarta has been elevated to a political art form by successive Australian governments over recent years. So it is not perhaps surprising that the current Government and Opposition have engaged in a rather unedifying act of diplomatic accommodation following Indonesia's refusal to accept senior diplomat Miles Kupa as the next Australian Ambassador. What is surprising, and disturbing, is how quickly and how far Australia is prepared to move to appease Indonesia for what was an essentially petty act by the Indonesian Foreign Minister, Mr Ali Alatas.

In fact, Mr Kupa was a first-rate nominee for what is arguably the most important job in Australian diplomacy. His criticisms eight years ago of the impact of President Suharto's business dealings on Indonesia's macroeconomic development, leaked to newspapers in 1992, revealed only that he was giving the Government clear-headed advice about an issue that had attracted adverse international comment for years.

Yet, following Mr Alatas's action last Friday, the Minister for Foreign Affairs, Mr Alexander Downer, abjectly accepted responsibility for the failed appointment; the department secretary, Mr Philip Flood, apologised to Mr Downer for not advising him of the 1992 leak; and the former foreign affairs minister, Mr Gareth Evans, chipped in with the view that it would have been "wiser" to allow more time to pass before sending Mr Kupa back to Jakarta where he had served between 1986 and 1988. Why?

There is absolutely no comparison between Mr Kupa's case and the issues that forced Indonesia last year to withdraw the nomination of its ambassador-designate to Australia, Lieutenant-General Herman Mantiri. General Mantiri publicly and aggressively defended the mass murder of unarmed civilians in East Timor by the Indonesian Army; Mr Kupa was a model of public discretion over President Suharto's business dealings, but the victim of the sort of leak that is inevitable in a free society with a properly inquisitive press.

It is argued with hindsight that the department and Mr Downer would have been more astute politically if they had judged Mr Kupa's leaked comments a disqualification for the job, at least for the time being. To have done so would have constituted the shameful appeasement of assuming in advance that Jakarta would not accept an ambassador whose deep understanding of Indonesia had led him to make a critical private judgement eight years ago.

Mr Kupa's rejection reflects badly on Jakarta, not Canberra. What reflects badly on Canberra is the habit of the Government, and the Opposition, to ask automatically "How high?" when Indonesia says "Jump!" In this case, the Government's action also puts at risk the future willingness of senior diplomats to give their department and its minister honest appraisals of the countries about which they have expert knowledge. Instead, they may well decide to submit a sanitised version, for fear that any future leak could jeopardise their careers.

It is often observed that Indonesia, a country in historic economic and social transformation, is Australia's largest and closest neighbour, and that imperatives of geography, economic opportunity and national security bind the two nations together. But this should not compel Australia to soft-pedal on difficult issues for the relationship, including the future after President Suharto, economic corruption and human rights abuses.

Last year's security treaty with Indonesia has, properly, been accorded high importance by Australia. Indeed, there is a tendency in Australia to assume that the treaty is so important that it justifies Australia turning a blind eye towards what Gareth Evans once called "the dark side" of Indonesian life.

Yet it is also relevant to ask what the treaty gives Indonesia. Why did this large and sprawling Islamic nation compromise its long-guarded non-aligned status in an unprecedented way by signing a security treaty with relatively small and preponderantly Christian Australia? Presumably because it, too, perceived a long-term security interest in doing so. The Prime Minister, Mr Howard, should remember that when he visits Jakarta next month.

The Kupa nomination is now, unhappily, water under the bridge. But Mr Howard should tell President Suharto it will be difficult to advance Australian-Indonesian relations if Jakarta will accept as an ambassador only somebody with less detailed knowledge of Indonesian realities, and who is not known to have offered a judgement critical of the ruling elites. For Indonesia to do so could be a recipe for misunderstanding which neither country can afford.

Australia: Australian, PNG Defense Chiefs Review Training Programs

LD2606103896 Melbourne Radio Australia in English 0900 GMT 26 Jun 96

[FBIS Transcribed Text] Papua New Guinea [PNG] and Australia have agreed that they need to improve their defense dialogue and review training programs. The agreement was reached during talks in Canberra between the commander of the PNG Defense Force, Brigadier General Jerry Singirok, and the Australian Defense [Force] chief, General John Baker. General Singirok said he wanted to reshape the PNG Defense Force.

[Begin Singirok recording] Naturally, as the new commander I hope to retrain my men so that they do their job professionally. As you know, the situation on Bougainville, and escalation of the law and order situation, so it needs a lot of retraining to prepare our men [sentence as heard]. [end recording]

A spokesman for the Australian Defense Force said the two defense chiefs had a frank exchange on Bougainville. He said Australia would consider sending mobile training teams to PNG.

Australia: Editorial Criticizes Effort To Protect Government Secrets

BK2606041696 Sydney THE SYDNEY MORNING HERALD in English 26 Jun 96

[Editorial: "Government Secrecy" — received via Internet]

[FBIS Transcribed Text] The Prime Minister has wasted little time adopting one initiative of the former Labor Government. Unfortunately it is an initiative which that Government sensibly appeared to have abandoned. In a letter to Mr Downer on March 28, appointing Mr Downer as Minister for Foreign Affairs, Mr Howard instructed him to work with the Minister for Defence, Mr McLachlan, in seeking to protect government secrets by the introduction of a revitalised D-notice system. This system, which began in 1952, involved the Federal Government issuing communications to the media ("D notices") listing subjects related to defence or national security with requests that editors refrain from publishing information on those subjects. Compliance was entirely voluntary.

Over the years the D-notice system has become discredited, although four D notices are still current. One of these relates to the Australian Secret Intelligence Service [ASIS] — the existence of which was unknown to the Australian people until it was revealed by media reporting in 1972. Since then it has been involved in a number of controversies which have caused many people — including prime ministers and senior foreign affairs and defence officials — to question its capabilities, covert operations and management. To suggest that ASIS should be given general protection from media scrutiny by a D notice is obviously absurd.

Mr Howard's letter — which, appropriately, was leaked to the Herald — also requests Mr Downer to prepare legislation to put ASIS on a statutory footing. This was also a matter on the agenda of his Labor predecessor, Mr Evans. Providing a statutory basis to ASIS and subjecting it to (admittedly limited) parliamentary accountability is a step forward. But, in Mr Evans's proposals, it was a case of taking one step forward and two steps backward.

Mr Evans's attempt to reactivate the so-called voluntary D-notice system was to be backed by tough legislation making it an offence to publish material that would damage Australia's intelligence and security capability. Although the Government would have borne the onus of proving that what was published was likely to cause significant damage, the legislation would not have provided a defence of public interest. Penalties, including long jail terms for editors and journalists, were to be enforced against those who reported on and published details of ASIS's activities even though disclosure was in the public interest.

What if there is another ASIS debacle such as the training raid on the Sheraton Hotel in Melbourne in 1983? What if ASIS once again takes it upon itself to assist in the destabilisation of the government of another country as it did in Chile in the 1970s? Most Australians would consider it is definitely in the national interest that they be informed of such matters. But it is not offensive to suggest that this would not necessarily be the view which would be taken by the senior officials of the Department of Defence who would be managing the new D-notice system.

When governments take it upon themselves to be the arbiter of what's in the national interest, they soon find there are no checks and balances on the activities of organisations such as ASIS. This inevitably leads to the sort of security excesses of which ASIS has been guilty. Mr Keating and Mr Evans appeared to have come to this conclusion. While Mr Howard and Mr Downer have ruled out punishing secondary disclosure of sensitive information, they must also realise the folly of reactivating the D-notice system.

New Zealand

New Zealand: Minister Welcomes Membership in Conference on Disarmament

BK2506031196 (Internet) New Zealand Parliamentary WWW in English 18 Jun 96

[Press release issued by D.A.M. Graham, New Zealand minister for disarmament and arms control, on 18 June; place not given]

[FBIS Transcribed Text] The Minister for Disarmament and Arms Control, Hon [Honorable] D.A.M. Graham, today welcomed the news that New Zealand [NZ] has become a full member of the Conference on Disarmament.

The move follows last September's decision to accept NZ and 22 other states as full members of the prestigious Geneva-based multilateral disarmament body currently negotiating a Comprehensive Test Ban Treaty [CTBT].

The implementation was delayed until today because of United States concerns about the implications of admitting Iraq while it was subject to UN sanctions. "This problem has been overcome by the decision of all the new members that none of them acting alone would block a Conference consensus on a disarmament issue for the next two years," Mr Graham said.

"I am particularly pleased that we are now able to take our membership of the Conference at the crucial final phase of negotiations on a CTBT.

"New Zealand has been working towards a CTBT for more than three decades and full membership of the Conference is a tribute to our strong record on disarmament and arms control."

Mr Graham said he had personally raised the issue each time he had addressed the conference.

"It is satisfying that this has now resulted in success," he said.

New Zealand: Editorial Views Need To Upgrade Defense Equipment

BK2606035696 Christchurch THE PRESS in English 25 Jun 96

[Editorial: "Defending New Zealand" — received via Internet]

[FBIS Transcribed Text] Came the familiar "thus far and no further" cry from Paul East, the Minister of Defence, when in reply to a question at a national council meeting of the Returned Services Association he commented on the shrinking New Zealand Defence Force. Mr East acknowledged that funding was now at a minimum. He is undoubtedly right. The vital point is whether he will remain convinced about this as the election gets closer.

Mr East needs to do a lot more. He must take the argument to the public and persuade it of what needs to be done about defence spending. Mr East is an energetic Minister, but has been in his present portfolio for only three months. He has made a promising start by touring some defence establishments, and has shown ability to master his previous portfolios; he might turn into a Defence Minister who does what needs to be done.

The air force presents a sharp dilemma. New Zealand's main transport and surveillance aircraft, the Hercules and the Orion, are both 30 years old and the Iroquois helicopters are just as ancient. The interdiction aircraft, the Skyhawks, were bought in 1970 but have been extensively modified, so some of the technology is not as old as the aircraft. The plan is to put new wings and horizontal stabilisers on the Orions. The Andovers, also used for transport, are gradually being phased out. Replacing the Andovers will be a major capital expense, and New Zealand has an option on buying modern Hercules. Making sure that there will be enough funds will be a challenge for whoever is Defence Minister. The time to lay the groundwork is now.

The sharpness of the dilemma for the air force is illustrated by the fact that New Zealand has international responsibilities for search and rescue over 12.3 per cent of the Earth's surface. To carry out these responsibilities it has six Orion aircraft, but trained crews for only four.

The issue for the navy is whether another two Anzac frigates should be bought, and this must be decided by November next year. The original proposal was that New Zealand should take four vessels but the final contract was for two, leaving the decision open on the others. The debate about taking up the option has become highly politicised. One argument used against the extra ships is that their high cost would distort defence spending. Their cost is high, but the issue should not be settled on cost alone. The nation's needs should determine the outcome. Central to that is the navy's assertion that a four-frigate navy is the minimum required to maintain a blue-water navy.

The army, which has been engaged in several peace-keeping roles, has lacked any defence against air attack. Expenditure for anti-aircraft missiles has now been approved. The army has been equipped with modern rifles, but its armoured personnel carriers date from the 1960s and need replacement.

Exactly what will happen to defence and foreign relations after the MMP [mixed member proportional] election is uncertain. The optimistic view is that the parties will come to a sensible consensus. The pessimistic view is that defence and foreign relations, nowhere near the top of voters' concerns, will suffer as the parties vie for popularity. They might believe that they can ignore defence and foreign relations to gain support on other issues. If this pessimistic view comes to pass, New Zealand's international standing and its ability to act internationally will be gravely damaged.

Many New Zealanders seem ambivalent about defence, though National, Labour, the Alliance, and New Zealand First all believe that the country should have a defence force. The country's defence strategy has been summed up as "self-reliance in partnership". Spelled out, it requires the New Zealand Defence Force to provide the Government with a range of options to contribute to multinational peace support or peace enforcement operations; to be able to contribute to the maintenance of regional security, including the defence of Australia; to be able to ensure the sovereignty and territorial integrity of New Zealand and its outlying islands; and to provide security assistance in the South Pacific. These are modest, but necessary, aims but they cannot be achieved without adequate supplies of modern equipment and adequate numbers of well-trained people. Deep disquiet exists in the defence forces about the state of both. New Zealand needs a defence force, and it needs to provide for one.

Papua New Guinea

Papua New Guinea: Ijape Proposes Solomon Islands Troops Deployment

LD2606112696 Melbourne Radio Australia in English 1000 GMT 26 Jun 96

[FBIS Transcribed Text] Papua New Guinea's [PNG] defense minister has proposed placing 200 PNG troops permanently in the Solomon Islands until the Bougainville crisis is over. As Sean Dorney reports, the minister has also suggested that Australia should help pay for it:

[Dorney] Solomon Islands has been protesting armed incursions into its territory by Papua New Guinea troops and it so distrusts the soldiers that at a meeting between the two countries' police commissioners this week, the Solomons asked PNG to put police, not troops, in charge of border liaison. But PNG's Defense Minister Mathias Ijape has drawn different conclusions from the meeting. Expressing pleasure with what he said was the understanding reached at the operational level, he is proposing that 200 soldiers be based in Solomon Islands to help the Solomon Islands Police Field Force halt all movement into and out of Bougainville. Mr. Ijape says the men could come under Solomon Islands command and that Australia and New Zealand be asked to provide logistic and administrative support. [This is] Sean Dorney, Port Moresby.

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